

# The U.S. Balance of Payments: Fourth Quarter and Year 1969

The liquidity balance was in deficit by \$7.0 billion in 1969, a \$7.2 billion deterioration from 1968. The sizable deficit occurred despite a large swing into surplus in the fourth quarter when U.S. corporate capital flows, portfolio transactions, and errors and omissions moved favorably. The 1969 liquidity balance was adversely affected by a number of unusual developments that had little real significance, and it thus substantially overstated the deterioration in our external position. These developments included a large reversal of special financial transactions and the combined effects of the tight U.S. monetary policy and certain banking regulations that resulted in roundabout flows of U.S. funds to the Euro-dollar market and then back to the United States through foreign branches of U.S. banks. After allowance for such factors, however, the 1969 deficit was still about as large as any earlier one, largely reflecting a deterioration in private capital flows.

Despite the weakness in our underlying liquidity position, the dollar was strong and the official reserve transactions balance improved—to a surplus of \$2.7 billion in 1969 from a surplus of \$1.6 billion in 1968—largely because of the extremely high interest rate paid on dollars held by foreigners. Tight monetary policy thus had opposite effects on the two balances in 1969. It was largely responsible for the \$6.8 billion inflow of private liquid funds from abroad (including roundabout flows), which accounted for all but a small part of the difference between the recorded liquidity deficit and the "official" surplus.

large deficits in the first three quarters, the seasonally adjusted balance improved in the fourth quarter by \$3.7 billion to a surplus of \$1,115 million.

The balance measured on the official reserve transactions basis improved \$1.1 billion in 1969 and reached a surplus of \$2,710 million, the largest surplus recorded since this balance was first calculated beginning in 1960. Most of the year's surplus occurred in the first half of the year. In the third quarter there was a sharp deterioration to a deficit of \$925 million, seasonally adjusted, but the balance swung back in the fourth quarter to a \$1,280 million surplus.

Both balances reflect changes in U.S. official reserve assets. In addition, the liquidity balance—which is intended to be a broad indicator of potential pressures on the dollar resulting from changes in our liquidity position—takes into consideration changes in liquid liabilities to all foreigners. The official reserve transactions balance—which is intended to be a rough measure of more immediate exchange market pressures on the dollar in the reporting period—takes account of changes in liabilities only to foreign governments and central banks, but includes changes in both liquid and certain nonliquid liabilities.

During 1969, both the liquidity balance and, to a lesser extent, the "official" balance were unusually distorted by special factors. However, even after rough adjustment for the distortions, the liquidity balance remained in substantial deficit because of a deterioration in recorded private capital flows and sharply increased payments to foreigners on their U.S. dollar holdings. Despite this underlying dete-

rioration, the "official" balance showed a considerable surplus, which mostly reflected the extreme tightness of U.S. monetary policy.

The liquidity deficit was substantially inflated by a reversal of special financial transactions and by largely unrecorded outflows of U.S. funds to the Euro-dollar market (which were then returned to the United States through the foreign branches of U.S. banks), neither of which indicate any basic weakening in our external position. Without these special factors, the liquidity deficit would probably still have been very large, probably between \$4.0 and \$4.5 billion—a figure on the same order of magnitude as a number of earlier deficits calculated on the same basis, but one implying a much smaller deterioration from 1968 than the \$7.2 billion indicated by the recorded figures.

The "official" balance was also adversely affected by the reversal of special financial transactions, but to a much smaller extent. At the same time, however, the "official" balance was favorably affected by shifts of foreign official funds from U.S. banks to foreign banks (in order to get the higher interest rates available on Euro-dollar deposits). Even though there was no strengthening of the dollar in the exchange market nor any loss of dollars by foreign central banks associated with such shifts, they reduced recorded liabilities of U.S. banks to foreign official institutions.

## Major Developments in the Fourth Quarter

The \$3.7 billion improvement in the seasonally adjusted liquidity balance from the third to the fourth quarter was largely the result of a shift to inflows

**T**HE U.S. balance of payments on the liquidity basis was in deficit by a record \$7,000 million in 1969, a deterioration of \$7.2 billion from the small surplus of \$170 million in 1968. After

from outflows on both recorded private capital transactions and on errors and omissions. Repeating the pattern of 1968, most of the inflow appears to have occurred in the closing weeks of the year, and once again it was evidently reversed, in part, early in the new year.

Major favorable shifts in the fourth quarter are listed below. (Note that the discussion is based on table A1, in which data are adjusted to separate U.S. corporate capital transactions from other private capital transactions and to exclude special financial transactions.) (1) A massive turnaround of \$980 million in net movements of U.S. corporate capital, partly reflecting positioning under the foreign direct investment program; (2) a reduction of \$495 million in net U.S. purchases of foreign securities; (3) an increase of \$440 million in net foreign purchases of U.S. securities—mostly through substantial purchases of U.S. stocks in October when prices were temporarily rising; (4) a \$370 million swing in U.S. Government liabilities, mainly reflecting an increase of \$230 million in prepayments for military goods and a \$75 million loan, both under the agreement with Germany to offset foreign exchange costs of U.S. military expenditures in that country; (5) a shift of \$1,380 million

in errors and omissions to a net inflow, which may have reflected reversals of outflows to Germany and the Euro-dollar market earlier in the year; and (6) a decline of \$505 million in net liquidations of special financial transactions.

The only major unfavorable change in the fourth quarter was a \$540 million swing in claims reported by U.S. banks.

The \$2.2 billion fourth quarter improvement in the official reserve transactions balance was smaller than that in the liquidity balance because of a reduction in the inflow of private foreign liquid funds—from \$1.2 billion in the third quarter to a very small amount in the fourth; this partly offset favorable changes of \$3.3 billion in other international transactions affecting the "official" balance.

### Major Developments in 1969

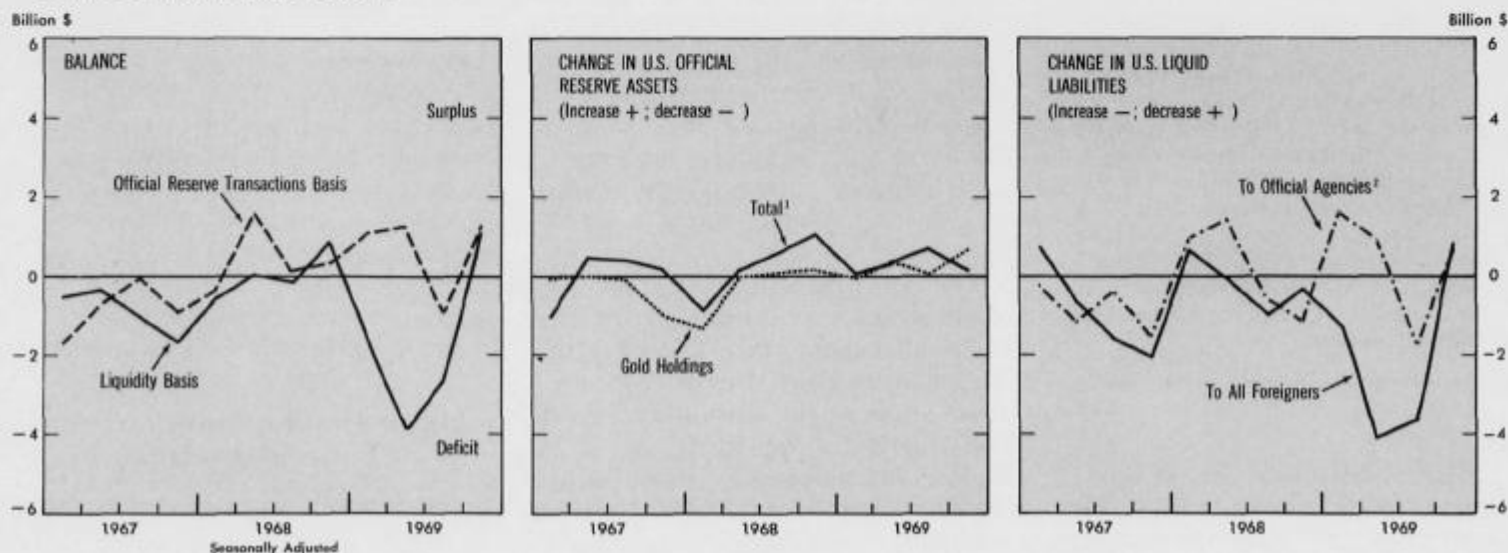
The \$7.2 billion deterioration in the liquidity balance for the full year 1969 was largely accounted for by the following major adverse changes (table A1): (1) The adverse balance on military transactions deteriorated \$275 million; (2) the favorable balance on investment income declined \$365 million, mostly as a result of increased liabilities and higher interest rates on

short-term funds, which together raised payments \$1,500 million and thus more than offset the continued increase in income on U.S. direct investment abroad and other long-term assets; (3) net U.S. corporate capital outflows rose \$735 million; (4) net U.S. purchases of foreign securities increased \$220 million; (5) net foreign purchases of U.S. securities dropped \$440 million; (6) U.S. banking claims (net of long-term liabilities to private foreigners) shifted \$740 million from a net inflow to a net outflow. The largest changes occurred in: (7) errors and omissions in which the net outflow increased \$2,320 million; and (8) special financial transactions, which shifted \$3,190 million from net inflows of \$2,285 million in 1968 to net outflows of \$905 million in 1969.

Favorable changes in 1969 were limited to: (1) an increase of \$430 million in foreign direct investment in the United States; (2) a reduction of \$275 million in U.S. Government grants and capital outflows; (3) an increase of \$140 million in U.S. Government receipts from loan repayments; and (4) an increase in U.S. Government liabilities (other than marketable or convertible securities) \$185 million larger than the 1968 increase.

CHART 13

### Balance of International Payments



1. Includes changes in gold, convertible currencies, and IMF gold tranche.

2. Includes certain nonliquid liabilities to foreign official agencies.

U.S. Department of Commerce, Office of Business Economics

The adverse movement in errors and omissions—a good part of which reflected roundabout flows through the Euro-dollar market—and in special financial transactions accounted for \$5.5 billion or about three-fourths of the \$7.2 billion deterioration in the liquidity balance in 1969. While the recorded liquidity deficit was \$7.1 billion last year, probably the deficit would have been between \$4.0 and \$4.5 billion if adjustment were made for the \$0.9 billion net outflow on special financial transactions and for a major part of the \$2.3 billion increase in errors and omissions (assuming that to be, roughly, a reflection of the roundabout flows of U.S. funds). That “underlying” liquidity deficit is roughly near the upper limit of the \$1.2 billion to \$4.5 billion range that prevailed during the 1960's.

The \$1.1 billion increase last year in the surplus on the official reserve

transactions basis reflected a \$5.0 billion increase in the inflow of foreign private liquid funds (i.e., increases in liquid liabilities to private foreign residents), which more than offset the net adverse movement of \$3.9 billion in the other international transactions that affect the “official” balance. Reversal of special financial transactions adversely affected the official balance in 1969 by \$155 million, an unfavorable shift of \$340 million from 1968.

### U.S. monetary conditions

Credit conditions and certain banking regulations in the United States during 1969 evidently had opposite effects on the liquidity and the official balances. Exceptionally tight credit conditions and the effects of interest rate ceilings (Regulation Q), which limited the rates that U.S. banks could pay on deposits in the United States but not those on dollar deposits obtained through their

foreign branches, stimulated the demand for funds by U.S. banks in foreign financial markets, mostly the Euro-dollar market. Furthermore, during most of the year, these deposits were not subject to reserve requirements so that U.S. banks were able to pay higher rates than they could have paid if these deposits had been subject to the same reserve requirements as domestic deposits. As a result, a considerable difference developed between the rate of interest that could be earned on Euro-dollar deposits as compared with the rate U.S. banks were permitted to pay in the United States. This development apparently induced U.S. residents to shift deposits to the Euro-dollar market, where many of the funds were taken by the branches of U.S. banks. The branches, in turn, lent funds to their U.S. parent banks. These roundabout flows resulted in an increase in U.S. liquid liabilities, which

Table A1.—Balance of Major Transactions

(Millions of dollars)

Line	Lines in tables 1 and 2 in which transactions are included are indicated in ( )	1968	1969	Change- 1968-69	1968				1969				Change- 1968-69 III-IV
					I	II	III	IV	I *	II *	III *	IV *	
1	Balance on goods and services, excluding transfers under military grants (24)	1 2,281	2,073	-608	471	841	909	1 368	348	200	706	720	23
2	Balance on nonmilitary merchandise trade (3, 16)	820	900	80	124	284	313	-75	-301	-338	338	453	115
3	Balance on travel (7, 18)	-1,282	-1,330	-48	-223	-308	-343	-274	-317	-339	-307	-297	70
4	Balance on military transactions (4, 16)	-3,103	-3,378	-275	-797	-763	-737	-806	-700	-877	-800	-806	-106
5	Balance on investment income (11, 12, 13, 21, 22)	1 4,831	6,455	3,066	1,100	1,321	1,278	1 223	1,224	1,051	1,107	1,074	-33
6	Other services (5, 8, 9, 10, 17, 19, 20)	1,470	1,616	130	387	417	408	293	322	443	431	407	-24
7	Private remittances, net, and U.S. Government pensions and other transfers (27, 28)	-1,180	-1,143	-4	-378	-274	-325	-285	-371	-296	-307	-209	8
8	Private U.S. and foreign capital other than liquid liabilities, net (22, 25-28)	941	-840	-1,801	443	320	-555	816	140	-1,392	-530	990	1,432
9	Corporate capital (assets and liabilities)	-401	-700	-299	226	-880	-578	630	-440	-606	-307	730	1,043
10	U.S. corporate capital (assets and liabilities) (table D1)	-720	-1,454	-735	-33	-894	-598	406	-077	-683	-440	323	970
11	Foreign direct investment in the United States (31)	319	740	420	351	6	33	41	237	169	179	283	94
12	Net U.S. purchases of foreign securities (24-30)	-1,145	-1,388	-243	-275	-42	-337	-442	-308	-427	-262	-68	493
13	Net foreign purchases of U.S. securities (32)	2,113	1,071	-1,042	287	872	441	793	788	230	107	546	489
14	Claims and liabilities reported by U.S. banks (37, 38, 53)	242	-480	-722	226	238	-63	-130	78	-480	230	-303	-328
15	Claims and liabilities reported by brokerage concerns (45, 55)	118	30	-88	40	-3	-18	57	34	-	-	-14	-14
16	Government grants and capital, net (20, 42-45, 56, 57)	-3,839	-3,238	601	-1,873	-918	-1,653	-761	-708	-981	-942	-537	385
17	Grants (excluding military) and additions to assets (29, 43, 45)	-5,347	-5,070	277	-1,428	-1,365	-1,361	-1,284	-1,138	-1,415	-1,222	-1,240	8
18	Loan repayments (44, 45)	1,195	1,338	141	287	307	278	322	326	326	339	347	8
19	Liabilities other than marketable or convertible securities (38, 57)	318	490	173	64	140	-35	144	35	308	-56	312	371
20	Errors and omissions (50)	-643	-2,863	-2,321	-410	-480	369	-80	-1,230	-1,030	-1,034	348	1,383
21	Special financial transactions (table A2)	2,288	-800	-3,101	172	717	578	817	00	-495	-607	-8	604
22	Total of above transactions equals balance measured on LIQUIDITY BASIS	168	-7,438	-7,228	-344	9	-139	953	-1,575	-1,388	-2,068	1,113	3,721
23	Increase in liquidity liabilities to private foreign residents	3,811	8,773	4,961	490	2,314	765	192	2,844	4,788	1,163	20	-1,127
24	Adjustment for changes in certain nonliquid liabilities to foreign official agencies (an increase is shown with a negative sign)	-2,341	908	3,338	-355	-776	-629	-687	-27	375	518	142	-379
25	Total of above transactions equals balance measured on OFFICIAL RESERVE TRANSACTIONS BASIS	1,628	2,312	1,074	-370	1,653	97	367	1,133	1,226	-927	1,281	2,290

\* Revised. \* Preliminary.

1. Balance of major transactions exclude special financial transactions, which are listed separately in table A3.

2. Most of the changes in “certain nonliquid liabilities” are included among the special financial transactions (line 21) and an increase in these improves the liquidity balance. The

balance on official reserve transactions, however, is not affected by changes in “certain nonliquid liabilities” since they are considered part of the financing of this balance.

NOTE.—Details may not add to totals because of rounding.

was, in an ultimate sense, to U.S. residents rather than to foreigners, and therefore not essentially a deterioration in the U.S. liquidity position. Unfortunately, most outflows of funds through transactions of this sort were not specifically reported, but can only be inferred from the exceptional rise of \$2.3 billion in missing net debits in the errors and omission accounts in 1969. Thus, as was indicated earlier, the appropriate adjustments to arrive at the "underlying" liquidity balance can only be roughly estimated.

The restrictive monetary conditions that had adverse effects on the liquidity balance simultaneously produced effects that were favorable for the balance on official reserve transactions. The heavy demand for Euro-dollars on the part of U.S. banks seeking to borrow through their foreign branches, and the resulting high rates on Euro-dollar deposits, induced an enormous inflow of foreign private liquid funds—mostly through those foreign branches. The inflow was not only sufficient to finance the 1969 liquidity deficit but also caused foreign private residents to shift funds from foreign currency assets to U.S. dollars. These shifts resulted in a decline in for-

ign official dollar holdings and an increase in foreign private dollar holdings.

At the same time, however, some foreign official agencies apparently shifted deposits from U.S. banks to foreign branches of U.S. banks, in order to obtain the higher interest rates prevailing in the Euro-dollar market. As recorded in U.S. statistics, such shifts have the effect of reducing U.S. liabilities to foreign official agencies and increasing those to foreign banks. Their effect is thus to improve the official reserve transactions balance, as recorded, but the improvement is not real because such shifts of funds do not reflect an improvement of the dollar in the exchange markets nor is there any associated reduction in the dollar holdings of foreign official agencies.

On the other hand, the 1969 decline in dollar balances held by foreign official agencies associated with their sales of dollars to private foreign residents is properly recorded as an improvement in the official reserve transactions balance. This decline reflects the sensitivity of the "official" balance to monetary policy. The large surplus in 1969, however, was due to exception-

ally tight conditions in U.S. financial markets and probably unsustainably high interest rates. The large official surplus in 1969 is no indication of a fundamental improvement in our basic position, particularly in view of the deterioration in the "underlying" liquidity balance.

Conditions somewhat similar to those in 1969 also existed in the second half of 1968. When financial conditions tightened sharply, the official reserve transactions balance showed a change to a surplus while the liquidity balance continued in deficit. However, when monetary policy was sharply eased in 1967, the official reserve transactions balance changed back to a large deficit.

### Economic developments abroad

Growth of foreign industrial economies in 1969 remained close to the high rate of the preceding year. Pressures on foreign capacity intensified, which increased foreign demand for U.S. goods. These developments, together with the deceleration of growth in the U.S. economy in 1969—which effectively dampened the growth of U.S. demand for foreign goods, especially after mid-year—helped prevent a further deterioration in the trade balance in 1969.

Boom conditions abroad caused several foreign governments to adopt monetary policies designed to restrain inflationary pressures. Under the combined influence of these moves and similar U.S. actions, foreign capital markets tightened during the year with an adverse effect on the ability of U.S. corporations to obtain foreign capital.

International capital markets were also unsettled during much of the year because of uncertainties about the stability of several major foreign currencies. Early in the spring large amounts of U.S. funds were transferred abroad in expectation of an upward revaluation of the German mark. Some of these transfers appeared in the direct investment account. After the May 9 announcement that the exchange rate of the mark would not be altered, some of these funds may have been shifted to the Euro-dollar market. Uncertainties in the exchange markets continued, however, and the French franc was

Table A2.—Changes in Near-Liquid Liabilities, Nonscheduled Repayments by Foreign Governments of U.S. Credits, and Other Special Financial Transactions by U.S. and Foreign Official and International Agencies.

(Millions of dollars)											
Line	Lines in Tables 1, 2, and 8 in which transactions are included are indicated in ( )	1968	1969	1968				1969			
				I	II	III	IV	I	II*	III*	IV*
	Total:										
1	Effect on balance measured on liquidity basis	2,285	-908	172	717	578	817	95	-493	-507	-3
2	Effect on balance measured on official reserve transactions basis:	185	-164	0	56	104	10	-15	34	-162	-11
	Investment in long-term time deposits or certificates of deposit in U.S. banks (53):										
3	By foreign official agencies:	635	-538	116	160	131	129	-43	-194	-301	-280
4	By international and regional organizations	63	113	-60	30	-38	111	(*)	5	100	5
	Investment in certain nonmarketable, medium-term U.S. Government securities (54):										
5	By Canadian official agencies:	1,050	-175	100	500	260	208	-260	-	-	75
6	By other official agencies:	335	-193	48	22	35	234	-50	-45	-115	-
7	By foreign commercial banks:	125	-	-	125	-	-	-	-	-	-
8	Investment in U.S. agency bonds by international and regional organizations (55)	118	336	-38	-41	78	119	184	-43	61	134
9	Special deposits in accounts with U.S. Treasury by foreign official agencies (56)	40	-8	-	-	40	-	-	-	-8	-
10	Nonscheduled repayments by foreign governments of U.S. Government credits (including sales of foreign obligations to foreigners) (57)	280	-131	42	3	55	160	-	34	-154	-11
11	Other special financial transactions with Canada (34, 35, 36)	-121	-15	-30	-72	-	-13	-15	-	-	-
12	Deferral of service on United Kingdom loan (12, 44)	-137	-	-	-	-	-137	-	-	-	-

\* Less than \$500,000. \* Revised. \* Preliminary.

1. Includes all special financial transactions.

2. Includes only special financial transactions in lines 7, 9-12.

Note.—Details may not add to totals because of rounding.

devalued in August. The German mark—after floating during most of October—was revalued upward at the end of that month. The U.S. dollar remained strong during the year largely because of the very high interest rates foreigners could earn on their liquid dollar assets. Following the German revaluation, U.S. funds, including gains from changes in exchange rates, were repatriated.

### The Financing of the Balances

Transactions in U.S. official reserve assets resulted in an increase of \$1,187 million in 1969 (table 3). The rise consisted of (1) a \$967 million increase in official gold holdings, (2) a \$1,034 million improvement in our gold tranche position at the IMF, partially offset by (3) net sales of \$814 million of convertible foreign currencies, reflecting mainly reversals by foreigners of earlier drawings on mutual swap facilities with the United States. (The gold tranche position is essentially our automatic right to obtain foreign currencies for dollars; our position improves with a decline in Fund dollar holdings. This occurred in 1969 because foreign countries reduced the Fund dollar holdings by drawing dollars in exchange for their own currencies.) A major part of the gold purchases and the improvement in our gold tranche position, as well as the net sales of convertible currencies, came in the fourth quarter.

Liquid liabilities to all foreigners increased \$8,245 million in 1969. This rise, minus the \$1,187 million net purchases of official reserve assets, equals the \$7,058 million liquidity deficit. Liquid liabilities to foreign commercial banks (including foreign branches of U.S. banks) rose \$9,272 million. Liquid liabilities to official agencies decreased \$527 million; those to international and regional organizations dropped \$63 million; and those to other foreigners decreased \$437 million.

Total liquid liabilities to all foreigners (not seasonally adjusted) rose \$1,316 million in the first quarter, \$4,115 million in the second, and \$3,658 million in the third. Nearly all this growth was in liabilities of U.S. banks to their

foreign branches. In the fourth quarter a small part of the earlier increase was reversed as total liquid liabilities declined \$844 million. Most of that decline—\$520 million—was in liquid liabilities to official agencies. Liquid liabilities of U.S. banks to their foreign branches also declined, but that decline was largely offset by a rise in liabilities to other foreign commercial banks.

The 1969 surplus of \$2,712 million on the official reserve transactions balance consisted of the above-mentioned \$1,187 million increase in U.S. reserve assets, plus the \$527 million decrease in liquid liabilities to official foreigners and a \$998 million decrease in certain

nonliquid liabilities to foreign official agencies.

### Details of Major Transactions

#### Special financial transactions

For 1969 as a whole, special financial transactions adversely affected the liquidity balance by \$905 million; in 1968 they had improved that balance by \$2,285 million (table A2). Foreign official agencies reduced by about \$1,200 million their holdings of time deposits with a maturity over one year and nonmarketable medium-term U.S.

Table B-1.—U.S. Nonmilitary Exports: Total, Agricultural, and Nonagricultural  
(Millions of dollars)

	1968	1969	1968				1969			
			I	II	III	IV	I	II	III	IV*
Seasonally adjusted										
ALL COMMODITIES										
Global, all countries.....	33,689	35,487	7,941	8,596	8,679	8,383	7,478	8,689	9,581	9,829
Developed countries, total.....	23,927	25,685	5,402	5,700	5,112	5,817	5,607	5,485	5,747	5,915
Developing countries, total.....	10,771	10,801	2,539	2,896	3,567	2,566	1,871	3,104	3,834	3,914
Western Europe, total.....	18,543	19,633	2,381	2,425	2,972	2,583	2,257	3,051	3,689	3,295
United Kingdom.....	1,959	2,024	489	508	514	494	382	435	514	483
Other Western Europe.....	8,584	9,809	1,892	1,917	2,458	2,089	1,865	2,616	3,174	2,812
Eastern Europe (Soviet-bloc).....	232	263	48	50	70	62	33	45	85	50
Canada.....	8,141	9,187	1,908	1,973	2,094	2,178	2,310	2,265	2,353	2,328
Latin American Republics.....	4,432	4,870	1,003	1,175	1,225	1,190	837	1,218	1,364	1,286
Japan.....	2,929	3,510	727	733	703	735	690	853	940	987
Australia, New Zealand & So. Africa.....	1,384	1,385	338	368	365	323	290	336	300	290
All other countries.....	5,717	5,720	1,480	1,470	1,471	1,345	1,001	1,721	1,658	1,513
AGRICULTURAL										
Global, all countries.....	6,233	6,410	1,669	1,540	1,698	1,479	979	1,783	1,898	1,681
Developed countries, total.....	3,682	3,690	808	915	1,032	943	643	1,074	1,078	1,144
Developing countries, total.....	2,551	2,721	700	625	666	536	336	709	820	537
Western Europe, total.....	2,358	2,388	577	536	636	587	348	703	698	678
United Kingdom.....	387	393	99	83	104	95	48	109	106	124
Other Western Europe.....	1,971	1,995	478	453	532	492	300	594	592	554
Eastern Europe (Soviet-bloc).....	120	87	28	25	41	36	9	25	20	34
Canada.....	900	541	128	115	129	128	186	117	163	149
Latin American Republics.....	606	454	116	131	134	123	77	122	117	136
Japan.....	944	952	243	236	237	232	149	288	261	302
Australia, New Zealand & So. Africa.....	71	87	18	17	18	18	10	16	17	24
All other countries.....	1,604	1,570	550	465	588	376	280	587	418	389
NONAGRICULTURAL										
Global, all countries.....	27,386	30,477	6,276	5,885	7,271	6,864	6,409	7,846	7,891	8,146
Developed countries, total.....	19,145	21,787	4,436	4,782	5,080	4,872	4,864	5,421	5,718	5,801
Developing countries, total.....	8,140	8,690	1,840	1,103	2,191	2,032	1,545	2,425	2,173	2,345
Western Europe, total.....	8,206	9,204	1,804	2,070	2,334	2,010	1,809	2,348	2,483	2,437
United Kingdom.....	1,572	1,681	380	418	413	390	340	428	400	450
Other Western Europe.....	6,634	7,523	1,424	1,652	1,921	1,617	1,469	2,020	2,083	2,008
Eastern Europe (Soviet-bloc).....	101	144	22	25	20	26	24	40	60	46
Canada.....	7,932	8,648	1,828	1,858	1,865	2,048	2,174	2,088	2,206	2,103
Latin American Republics.....	4,126	4,260	947	1,043	1,092	1,036	880	1,196	1,147	1,130
Japan.....	2,016	2,568	484	503	524	508	541	645	692	695
Australia, New Zealand & So. Africa.....	1,313	1,385	330	351	337	305	248	340	345	368
All other countries.....	5,913	4,168	870	1,006	1,072	870	781	1,184	1,067	1,140

\* Preliminary. \* Balance of payments basis.

NOTE.—Seasonally adjusted quarterly data may not add to unadjusted yearly totals.



Government securities, compared with net purchases of \$1,920 million in 1968. The full impact of that shift was eased somewhat by portfolio adjustments by international and regional organizations that resulted in a \$450 million increase in their holdings of long-term time deposits and U.S. agency bonds in 1969, compared with an increase of only \$130 million in 1968. The remain-

financial transactions in 1969 was concentrated in the second and third quarters. Their net impact in the fourth quarter was negligible: Net purchases of \$75 million of nonmarketable medium-term U.S. Government securities by Canada and purchases of \$135 million of U.S. Government agency bonds by international and regional organizations were largely offset by a \$205 million reduction in long-term time deposits of foreign official agencies.

**Table B2.—U.S. Nonmilitary Merchandise Trade, on the Balance of Payments Basis, Adjusted for Temporary Distortions\***

(Billions of dollars, seasonally adjusted)

	Recorded data			Adjusted data		
	Ex-ports	Im-ports	Bal-ance	Ex-ports	Im-ports	Bal-ance
<b>1968:</b>						
Jan.-June.....	16.34	15.06	0.28	16.35	15.40	0.95
July-Dec.....	17.26	17.02	.24	17.29	16.73	.57
<b>Year.....</b>	<b>33.60</b>	<b>32.07</b>	<b>.53</b>	<b>33.63</b>	<b>32.13</b>	<b>1.43</b>
<b>1969:</b>						
Jan.-June.....	17.08	17.18	-.10	17.09	17.53	-.40
July-Dec.....	19.41	18.62	.79	19.31	18.62	.69
<b>Year.....</b>	<b>36.49</b>	<b>35.80</b>	<b>.69</b>	<b>36.40</b>	<b>36.15</b>	<b>.25</b>

\* Monthly effects of strikes and threats of shipping in ship-ping, copper and steel industries.

ing special financial transactions, which affected not only the liquidity balance but also the official reserve transactions balance, were adverse by \$155 million in 1969; they had been favorable by \$185 million in 1968.

Most of the adverse effect of special

## Goods and Services

The balance on goods and services deteriorated in 1969 to a \$2,075 million surplus from an already relatively low surplus of \$2,580 million in 1968 (table A1). There was a marked improvement in the second half of the year, however, as the balance rose to an annual rate of \$2,870 million from \$1,275 million in the first half. The improvement was primarily in the trade balance. After a deficit in the first half, it recovered sufficiently to make the recorded trade surplus for the year as a whole slightly larger than in 1968. The balances on military transactions and investment income, on the other hand, worsened during the year, and accounted for most of the year-to-year deterioration in the balance on goods and services.

## Merchandise trade

Nonmilitary merchandise exports increased \$2,890 million to \$35,485 million in 1969, while imports rose \$2,825 million to \$35,795 million (table 4). With exports and imports advancing by nearly the same amount, the 1969 trade surplus of \$690 million was little changed from the \$625 million surplus in 1968, but far below the surpluses in the years 1960-1967, which averaged about \$5.0 billion. (The merchandise trade data are on the balance of payments basis, which excludes Department of Defense exports and imports and reflects various other adjustments to the trade data compiled by the Census Bureau.)

Merchandise trade was distorted in both 1969 and 1968 by strikes (or threats of strikes) in the shipping and metal-producing industries and by other special developments that reduced exports and—to a lesser extent—imports in 1969, and sharply inflated imports in 1968. Excluding the estimated effects of those special developments, the trade surplus might have been higher by roughly \$400 million in 1969 and by \$800 million in 1968 (table B2). While this suggests some underlying deterioration on a year-to-year basis, the trade balance improved in the second half of 1969, and especially in the fourth quarter, as exports increased more than the imports.

## Exports

Changes in U.S. exports are primarily affected by changes in foreign economic activity—especially in the major industrialized countries. Since 1958, as can be seen in chart 14, the growth rate of nonagricultural exports (adjusted to exclude aircraft deliveries, which move erratically, and exports of automotive products to Canada, as well as temporary distortions from strikes) followed changes in foreign industrial production quite closely in periods of acceleration. When the growth of foreign production started to decelerate, however, the slowdown in export growth was sometimes delayed. This may reflect the effects of continued high capacity utilization abroad as well as deliveries of orders placed earlier.

**Table C.—Government Grants and Transactions Increasing Government Assets**

(Millions of dollars)

	1968	1969*	1968				1969			
			I	II	III	IV	I	II	III	IV*
Total (table 1, lines 29, 42, and 43 with sign reversed).....	5,347	5,070	1,439	1,805	1,179	1,230	1,127	1,068	1,063	1,108
Less: Estimated dollar payments to foreign countries and international and regional organizations (table 6, line A.34).....	541	761	130	205	123	177	155	206	191	100
Equals: Estimated transactions involving no direct dollar outflow from the United States (table 4, line A.20).....	4,795	4,310	1,309	1,599	1,056	1,053	962	1,462	872	1,008
Under farm product disposal programs.....	1,231	1,125	400	408	175	248	195	400	178	242
Under Foreign Assistance Acts and related programs.....	1,739	1,780	437	461	445	366	365	542	416	423
Under Export-Import Bank Act.....	1,517	1,288	370	332	304	371	337	306	272	284
Other.....	210	177	90	40	25	44	46	54	38	59

\* Preliminary. \* Revised.

1. The identification of transactions involving direct dollar outflow from the United States is made by the operating agency. Data for third and fourth quarters 1968 and for all quarters 1969 are based on extrapolations by O.E.B.

NOTE.—Details may not add to totals because of rounding.

The 1969 export performance seems to repeat the experience in other years when cyclical developments were similar. In the first half of 1969 foreign industrial production was 10.5 percent higher than in the first half of 1968 and U.S. nonagricultural exports were 15.0 percent higher; in the second half, the increase in foreign industrial production over the corresponding period a year earlier slowed to 7.5 percent, but the rise in exports accelerated slightly to 15.5 percent.

The commodity detail of the 1969 rise in nonmilitary exports shows an extraordinarily large increase of \$385 million in iron and steel shipments, after years of near stagnancy. The rise mainly reflected tight capacity and heavy demand for steel in Canada and Western Europe. Machinery exports also expanded at an exceptionally high rate last year, rising by \$1,350 million to \$9,990 million. The high point was reached in the third quarter; in the fourth, machinery exports dropped slightly.

Exports of civilian aircraft and parts were \$2,210 million in 1969, about \$120 million below the 1968 peak. Most of the dip was in the middle quarters of 1969; in the fourth quarter, aircraft exports rose to an annual rate of \$2.4 billion, and may rise further in 1970 as the new jumbo jets are delivered.

Automotive exports to Canada, which had risen about \$485 million in 1967 and \$625 million in 1968, increased only \$360 million to \$2,735 million in 1969.

Exports of agricultural goods were \$6,010 million in 1969, nearly \$300 million less than in 1968 and \$950 million below the peak reached in 1966. The 1969 decline partly reflected losses resulting from the dock strike early in the year. In addition, exports of grain and cotton dropped sharply last year largely because of abundant supplies in other producing areas.

Most of the 1969 gain was in exports to developed areas (table B1). Export increases of \$1,090 million to Western Europe and \$550 million to Japan were the highest in recent years. The rise in exports to Canada was \$1,045 million. Deliveries to less-developed areas rose only about \$230 million, mainly be-

cause a \$320 million reduction in agricultural shipments partly offset rises in other exports.

### Imports

Just as exports react mainly to changes in foreign economic activity, changes in imports have generally closely followed changes in the U.S. gross national product, as can be seen in chart 15. Since 1958 imports have risen at a faster rate than GNP during upswings in the business cycle and have fallen more sharply than GNP during downturns. In the second half of 1968, when GNP was 9.4 percent higher than a year earlier, imports were 20 percent higher (even after exclusion of abnormal imports of metals associated with strikes, and of the fast-growing imports of automotive products from Canada). As the growth of GNP slowed during 1969, that of imports dropped even more rapidly. If the experience of earlier years continues, and the rate of GNP growth slackens further in 1970,

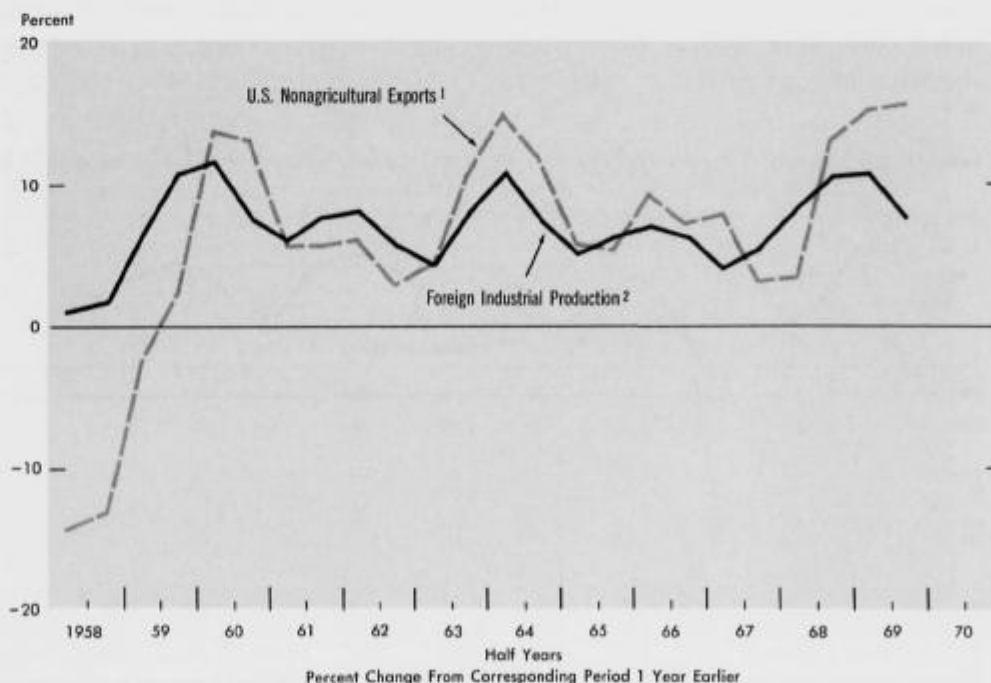
the rate of import growth may be expected to fall well below that of GNP.

The impact on imports of the slowdown in the expansion of the domestic economy is noticeable in the behavior of imports of machinery and nonfood consumer goods, which did not rise in the fourth quarter even though gains for the year as a whole were larger than in 1968.

Imports of automotive vehicles and parts from Canada, which have been rising steadily since the beginning of the U.S.-Canadian Automotive Trade Agreement in 1965, rose \$830 million in 1969 to \$3,150 million (transactions value basis). Imports of automobiles from Japan have also grown in recent years; last year they reached nearly \$445 million, an increase of \$170 million from 1968. Automotive imports from Europe, on the other hand, were \$1,400 million, the same as in 1968. Imports of foreign-model cars declined in late 1969, but that decrease does not necessarily reflect a corresponding change in domestic demand since dealers' sales of

CHART 14

### Percent Change in U.S. Nonagricultural Exports and Percent Change in Industrial Production in Major Foreign Industrial Countries



1. U.S. nonagricultural exports are adjusted to exclude automotive exports to Canada, aircraft, and temporary effects of U.S. strikes.

2. Industrial production in Canada, Japan, United Kingdom, Germany, France, and Italy, weighted by these countries' percentage shares in U.S. exports.

U.S. Department of Commerce, Office of Business Economics

new foreign-model cars did not appear to have slackened.

Imports of industrial materials, with the exception of petroleum, were scarcely higher in the second half of 1969 than in the second half of 1968. Petroleum imports, however, advanced rapidly in the fourth quarter, and for the year as a whole rose \$270 million. Metal imports dropped \$600 million in 1969. That decline was largely an adjustment from the extraordinarily high strike-induced level in 1968.

Half of the \$2,825 million increase in imports in 1969 came from Canada, about \$825 million from Japan, and most of the remainder from less developed countries, mainly in Asia. Imports from Western Europe remained about the same as in 1968.

### Military transactions

The balance on military goods and services transactions (excluding transfers under military grants) deteriorated \$275 million in 1969.

Transfers of goods and services

under military sales contracts increased about \$75 million to \$1,505 million, but military expenditures rose \$350 million to \$4,880 million. Most of the latter increase was in Germany, Japan, Korea, and other Asian countries.

### Investment income

U.S. receipts from income on direct investment rose \$720 million to \$5,705 million in 1969, an increase substantially larger than in any other year. Receipts peaked at a seasonally adjusted figure of \$1,525 million in the third quarter, and then dropped to \$1,440 million in the fourth. In both quarters, receipts included a larger than usual amount of dividends mainly paid out of prior years' earnings. In the fourth quarter, one such dividend paid by a foreign subsidiary amounted to \$125 million.

Receipts from other private investment increased \$310 million to \$2,260 million in 1969. Most of the rise, which continued steadily throughout 1969, was due to increased interest rates paid on U.S. short-term assets abroad.

Income from Government assets increased about \$100 million in 1969, in addition to \$65 million that reflected the annual receipt of interest on the British debt, which had been deferred in 1968.

Private income payments on foreign investment in the United States soared by \$1,425 million to \$3,655 million in 1969. About half of that rise was attributable to higher interest rates—especially Euro-dollar rates—paid by U.S. banks and corporations on their short-term liabilities to foreign residents. The rise of interest rates in the United States also increased payments on foreign holdings of U.S. Government securities.

### Private Capital Transactions

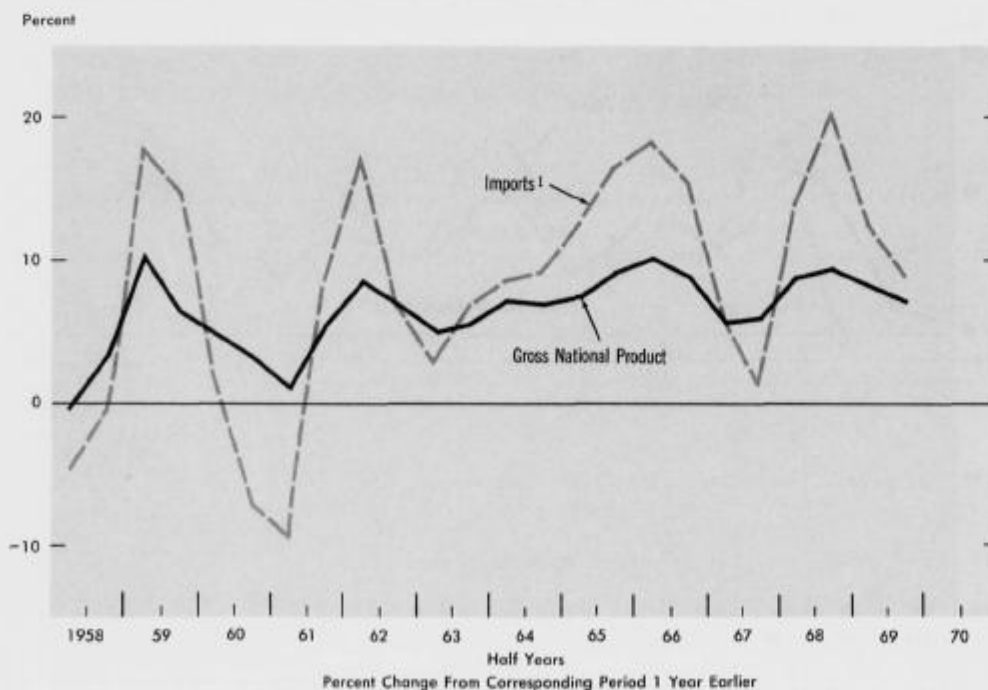
Net private capital outflows in 1969 were \$860 million, a reversal of \$1,800 million from the very exceptional 1968 net inflow of \$940 million (table A1, line 8). The 1969 figure, however, was substantially smaller than the 1967 net outflow of \$3,550 million. A large part of the adverse change in 1969 was in increased U.S. corporate capital outflows and U.S. bank-reported claims.

### U.S. corporate capital

U.S. corporate net capital outflows (including changes in both assets and liabilities) were \$1,455 million in 1969, a \$735 million increase from the unusually low net outflow of \$720 million in 1968 when the foreign direct investment program was first made mandatory (table D1). The 1969 net outflow, however, was still much below the 1967 outflow of \$2,850 million. In the first three quarters of 1969, there were net outflows of U.S. corporate capital averaging about \$665 million per quarter, but there was an abrupt shift in the fourth quarter to inflows of \$535 million. This shift closely paralleled that in 1968, in both direction and magnitude, and probably largely reflected positioning by the corporations under the foreign direct investment program. The fourth quarter repatriations also included a reflux of

Percent Change in U.S. GNP and Percent Change in U.S. Imports

CHART 15



1. U.S. imports are adjusted to exclude automotive shipments from Canada to the United States and temporary effects of U.S. strikes.



funds that had moved to Germany in anticipation of the revaluation of the German mark. In addition, some of the inflow may have been used to meet parent companies' year-end requirements for funds that could not readily be obtained through domestic channels because of the tight credit situation. A significant part of the inflow that came near the end of 1969 probably was reversed in early 1970.

Corporate borrowing in the Euro-bond market dropped from \$2,130 million in 1968 to about \$1,025 million in 1969 (table D2). In the fourth quarter about \$250 million was borrowed. For the year as a whole, about \$610 million of the Euro-bond borrowings was utilized for direct investment, nearly \$300 million was repatriated, and the rest—nearly \$120 million—was left on deposit abroad as corporate short-term claims on foreigners. (To the extent that the proceeds of Euro-bond borrowings are left on deposit abroad, the borrowings do not improve the balance of payments.) In 1968, when Euro-bond borrowings were much higher, \$975 million of the proceeds was left on foreign deposit.

Capital transfers by U.S. companies for direct investments abroad were \$3,060 million in 1969, about the same as in 1968. These transactions shifted favorably by \$1,190 million from the third to the fourth quarter when there

was a net inflow of about \$60 million, seasonally adjusted. The fourth quarter figure included an inflow of about \$300 million from Germany, in part reversing the large outflows earlier in the year. Also included was a \$175 million liquidation of a major direct investment in Latin America. That transaction involved the issue of notes by the country in which the investment was located to the former parent company. The receipt of these notes is reported as an increase in long-term corporate claims on nonaffiliated foreign residents (table D1, line 3, and tables 1, 2, and 8, line 39).

The fact that net outflows of U.S. corporate capital (including changes in assets and liabilities) were sharply lower in both 1969 and 1968 than in previous years was caused by a shift from net outflows to net inflows in transactions with Western Europe (chart 16). These net inflows amounted to \$720 million in 1969 and \$1,510 million in 1968, as compared with an average net outflow of \$1,120 million in 1965-67. This shift was largely accomplished through sales of corporate securities on the Euro-bond market and through borrowing from foreign banks.

Net outflows of corporate capital to the rest of the world were about \$2,175 million in 1969, nearly the same as in 1968 but higher than the \$1,760 million average in 1965-67.

### Foreign direct investment

Capital inflows for foreign direct investment in the United States more than doubled to \$750 million in 1969 (table A1, line 11). Of that total, new investments (including new acquisitions and increases in equity interests in existing U.S. affiliates) amounted to over \$500 million, nearly \$100 million more than in 1968. Over half of those new investments were made in the fourth quarter, mainly by European companies. Inflows of capital to U.S. affiliates from their foreign parents through changes in claims and liabilities on intercompany accounts rose from a negligible amount in 1968 to over \$200 million in 1969.

### Foreign securities

The net outflow of U.S. private capital for investment in foreign securities (excluding special financial transactions—mainly U.S. private purchases of new issues of the Canadian Government amounting to \$85 million in 1968 and \$15 million in 1969) was \$1,365 million in 1969, about \$220 million more than in 1968 (table A1, line 12). U.S. purchases of new foreign issues increased about \$40 million even though U.S. interest rates were a full percentage point higher, and redemp-

Table D1.—Net Change in Foreign Assets and Liabilities of U.S. Corporations (Excluding Banking and Brokerage Claims and Liabilities)

(Millions of dollars)												
Line	Credits (+); debits (-) (Lines in tables 1, 2, and 3 in which transactions are included are indicated in ( ) unless otherwise noted)	1969	2009	Change: 1969-80	1968				1969			
					I	II	III	IV	I	II	III	IV
					Seasonally adjusted							
1	Total.....	-720	-1,454	-736	-24	-594	-699	495	-377	-865	-446	633
2	Direct investments (30).....	-3,025	-3,060	-35	-472	-1,069	-1,262	-233	-926	-1,067	-1,124	25
3	Other corporate claims:											
4	Long-term (30).....	-174	-340	-172	34	-32	-67	-110	-82	-61	-3	-180
5	Short-term (30).....	-762	07	819	-322	-409	-68	137	-220	0	111	167
6	Funds obtained through security issues (table D2, line 8).....	-973	-118	855	-374	-510	-104	165	-51	31	30	-162
7	Other.....	221	185	-36	62	41	90	32	-180	-12	81	270
8	Corporate liabilities other than new issues of securities:											
9	Long-term (34).....	673	508	-165	184	165	10	244	145	59	161	235
10	Short-term (34).....	429	296	-133	3	166	222	36	4	58	204	3
11	New issues of securities (32).....	2,120	1,030	-1,090	680	585	560	378	401	150	225	290

\* Revised. \* Preliminary.

1. Excludes brokerage claims and liabilities.

2. New issues of securities sold abroad by U.S. corporations exclude securities issued by subsidiaries incorporated abroad and also exclude funds obtained abroad by U.S. corpora-

tions through bank loans and other credits. However, securities issued by finance subsidiaries incorporated abroad are treated as if they had been issued by U.S. corporations if the proceeds of such issues are transferred to U.S. parent companies. Uses of proceeds are shown in table D2.

Note.—Details may not add to totals because of rounding.

tions were only slightly lower. However, U.S. net purchases of other foreign securities more than tripled to \$230 million. The rise mainly reflected the investment of over \$200 million in Japanese equities, mostly in the second half of the year. U.S. purchases of Japanese equities had been minimal in 1968.

The outflow of U.S. funds for portfolio investment abroad, seasonally adjusted, rose in each of the first three quarters of 1969, but then fell by nearly \$500 million to about \$70 million in the fourth quarter. New issues placed in the United States in the fourth quarter, particularly by Canada and to a lesser extent by the World Bank, declined by nearly half to \$285 million. Some of the decline may have been due to postponements in the expectation of some easing in U.S. interest rates. Redemption of outstanding foreign bonds held by U.S. residents increased by over \$100 million in the fourth quarter, with maturing Australian, German, and Canadian bonds accounting for most of the rise. Trading in other securities shifted from net purchases of \$90 million in

the third quarter to net sales of \$35 million in the fourth. Investment in Japanese stock, amounting to \$85 million, was more than offset by net sales of foreign securities to Canada and Western Europe.

### U.S. securities

Net foreign purchases of U.S. stocks dropped to \$1,515 million in 1969 from \$2,085 million in 1968 (table D3, line 6). After reaching a peak early in the year, these purchases fell off sharply; in June and July, when Euro-dollar interest rates were at their highest level and U.S. stock prices were weak, foreign sales exceeded purchases. In October net foreign purchases spurted to over \$300 million, but then fell off again so that fourth quarter net foreign purchases amounted to \$470 million.

Net foreign purchases of U.S. bonds (other than Treasury issues and those already discussed under special financial transactions and U.S. corporate transactions) increased to \$155 million in 1969 from about \$30 million in 1968 (table D3, line 5). In the fourth quarter these transactions switched back to net foreign purchases of \$80 million, from net foreign sales of \$60 million in the third quarter.

### Banking claims

Claims reported by U.S. banks shifted to an outflow of \$530 million last year from an inflow of \$270 million in 1968 (table 1, lines 37 and 38). Most of the 1969 rise was in U.S. dollar acceptance credits and collections outstanding. Bank-reported claims fluctuated rather erratically during the year. Net reductions in claims in the first and third quarters alternated with larger net increases in the second and fourth quarters. The \$320 million rise in claims in the fourth quarter was a shift of \$530 million from net inflows of \$210 million in the third quarter (table 2, lines 37 and 38). Most of the fourth quarter outflow occurred in December, and was largely reversed in January. The rise in December, as well as for the year as a whole, was mainly to Canada and Japan.

Claims reported by U.S. banks include transactions that are not under the Foreign Credit Restraint Program,

such as items held in custody for customers, loans to finance U.S. exports guaranteed or participated in by various U.S. Government agencies, claims on foreigners reported by branches and agencies of foreign banks in the United States, and increases in claims of U.S. banks on Canadian residents. Foreign assets of banks reported under the Foreign Credit Restraint Program (part of which are included in the direct investment account) increased only about \$150 million in 1969; they had been reduced \$610 million in 1968.

### Government Grants and Capital

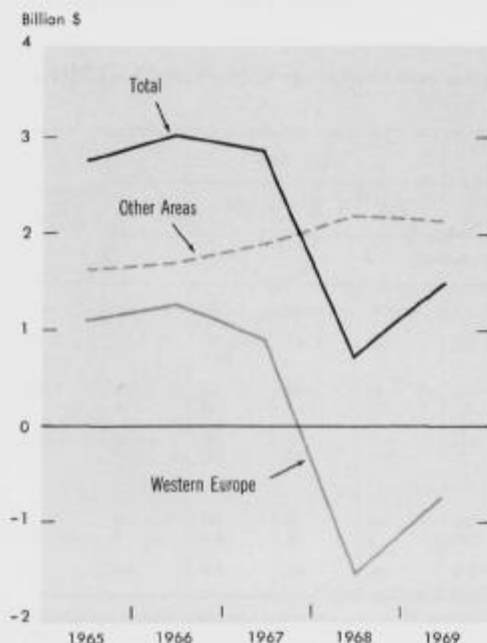
The outflow of U.S. Government grants and net capital transfers declined about \$600 million in 1969 to \$3,240 million (table A1, line 16). Grants and additions to U.S. assets fell off to \$5,070 million last year, as compared with a \$5,345 million outflow in 1968. Most of the decline was in the second half of the year.

Receipts from loan repayments (other than those included in special financial transactions) increased about \$140 million in 1969 to \$1,335 million. In addition, a \$75 million principal repayment on the British postwar debt was received in 1969; the 1968 annual payment was deferred.

Changes in Government liabilities (other than marketable or convertible securities and special financial transactions) resulted in net inflows of \$495 million last year as compared with net inflows of \$315 million in 1968. Uneven quarterly movements reflected changes in net receipts associated with military sales contracts and with the military offset agreements with Germany. Figures for both the first and second quarters included receipts from German purchases of about \$125 million in Treasury securities under the 2-year agreement for offsetting foreign exchange costs of American forces in Germany; that agreement expired in June 1969. In the fourth quarter, under a new agreement for fiscal years 1970-71, the German Government made a 10-year loan of \$75 million to the United States, and a \$315 million prepayment for military goods. This followed an \$85 million prepayment in the third quarter.

CHART 16

### Changes in Net Foreign Assets and Liabilities of U.S. Corporations\*



\*Increase (+) represents rise in net foreign assets and/or decline in net foreign liabilities of U.S. corporations.

U.S. Department of Commerce, Office of Business Economics

70-3-16

Table D2.—Uses of Funds Obtained Abroad by U.S. Corporations Through the Issue of New Securities<sup>1</sup>

(Millions of dollars)

Line	Credits (+); debits (-) (Lines in tables 1, 2, and 3 in which transactions are included are indicated in ( ) )	1968	1969 <sup>2</sup>	1968				1969			
				I	II	III	IV	I	II	III*	IV*
1	New issues of securities (52) <sup>1</sup> .....	2,123	1,023	594	585	584	379	401	180	225	250
	Uses of funds obtained abroad through new issues of securities:										
2	Additions to, and refinancing of, direct investment (34).....	-796	-511	-159	-75	-231	-331	-190	-151	-190	-80
3	Short-term claims reported by U.S. residents other than banks (40).....	-973	-119	-374	-510	-104	165	-61	31	34	-108
4	Reductions in corporate liabilities to foreign residents (54, 55).....	-2	-15				-2			-15	
5	Transfers of funds to U.S. residents (59) <sup>1</sup> .....	-309	-282	-45		-151	-100	-150	-20	-98	-63

\* Revised.    \* Preliminary.

1. New issues of securities sold abroad by U.S. corporations exclude securities issued by subsidiaries incorporated abroad and also exclude funds obtained abroad by U.S. corporations through bank loans and other credits. However, securities issued by finance subsidiaries incorporated abroad are treated as if they had been issued by U.S. corporations if the proceeds of such issues are transferred to U.S. parent companies.

2. A (-) reflects a decline in foreign deposits and money market paper held in the United States.

NOTE.—Details may not add to totals because of rounding.

Table D3.—Transactions in U.S. Securities Other Than Treasury Issues

(Millions of dollars)

Line	Increase in foreign assets (+) (Transactions are included in tables 1, 2, and 3, in line 52)	1968	1969 <sup>2</sup>	1968				1969			
				I	II	III	IV	I	II	III*	IV*
1	Total.....	4,348	3,033	839	1,116	1,116	1,290	1,373	337	293	530
2	New issues of securities sold abroad by U.S. corporations <sup>1</sup> .....	2,123	1,023	594	585	585	379	401	180	225	250
3	Investment by international and regional organizations in nonaffiliated U.S. Government agency bonds.....	118	336	-38	-41	78	119	184	-43	61	124
4	Other transactions.....	2,112	1,673	287	672	451	793	788	230	107	156
5	Bonds.....	30	186	-12	43	-8	7	37	100	-02	78
6	Stocks.....	2,084	1,486	299	629	459	786	751	127	109	158

\* Revised.    \* Preliminary.

1. Proceeds from securities issued by finance subsidiaries incorporated abroad that are transferred to the U.S. parent companies are treated as if they had been issued by U.S. corporations.

2. Excludes purchase of \$20 million by a foreign company of stocks issued by the U.S. subsidiary. This purchase is treated as a foreign direct investment in the United States.

NOTE.—Details may not add to totals because of rounding.

Continued from Page 23

developed countries, Schedule A, expenditures are estimated to have risen 18 percent last year, but an increase of only 6 percent is planned for 1970. In Schedule B countries, including the United Kingdom, Japan, Australia, and others, a 9 percent increase last year is expected to be followed by a 15 percent gain in 1970. Affiliates located in Schedule C countries, comprising most of continental Western Europe and South Africa, reported a 13-percent increase last year but expectations are for a much larger rise of 37 percent in 1970. This would bring total expenditures in Schedule C countries to \$3.5 billion for the year, almost double the

amount spent in these countries as recently as 1965.

One of the more interesting results of this survey is the very large expansion planned in Schedule C countries, where controls on direct investment under the OFDI program are most stringent. The aim of the investment controls has, for the most part, been to limit capital outflows from the United States, not to reduce expansion by foreign affiliates. To the extent that fixed asset investment can be financed by borrowing abroad, growth in plant and equipment spending is not limited by direct investment controls under the OFDI program. In fact, the ability of U.S. companies and their affiliates to raise money abroad has increased sub-

stantially in recent years with the broadening of the European capital market. The magnitude of the planned increase in capital expenditures this year, especially in Western Europe, could be taken to reflect confidence on the part of parent companies and affiliates that sufficient funds will be available to finance the investment they see as necessary to respond to growing markets. Alternatively, some anticipation by the companies of an easing of the OFDI program may be inherent in the reported large expansion plans. If credit conditions abroad are very tight, and the OFDI program remains unchanged, actual plant and equipment expenditures in 1970 could well be lower than now projected.

Table 1.—U.S. International Transactions

(Billions of dollars)

Line	(Credits +; debits -)	1968	1969	1968 <sup>1</sup>				1969			
				I	II	III	IV	I'	II'	III'	IV'
1	Exports of goods and services	51,432	n.a.	11,968	13,227	12,836	13,382	11,262	14,883	14,631	n.a.
2	Excluding transfers under military grants	50,561	44,387	11,761	13,062	12,616	13,219	11,072	14,537	13,773	15,235
3	Merchandise, adjusted, excluding military <sup>1</sup>	38,598	20,467	7,042	8,643	8,263	8,720	7,445	0,885	8,944	10,108
4	Transfers under military sales contracts	1,427	1,004	200	419	380	380	408	306	348	339
5	Transfers under military grants, net	888	n.a.	337	223	238	182	180	226	248	n.a.
6	Transportation	2,024	3,122	662	749	810	794	671	687	688	826
7	Travel	1,770	2,062	378	482	543	387	432	580	620	430
8	Fees and royalties from direct investments	1,270	1,341	270	306	328	398	204	328	328	343
9	Other private services	1,546	1,611	392	385	385	301	387	405	406	414
10	Other U.S. Government services	302	374	80	95	83	84	84	108	90	82
11	Income on U.S. investments abroad:										
12	Direct investments <sup>2</sup>	4,964	5,707	1,103	1,283	1,186	1,478	1,386	1,330	1,345	1,661
13	Other private assets	1,949	3,258	453	491	484	512	600	563	667	610
14	U.S. Government assets	785	991	184	202	166	222	183	230	194	325
15	Imports of goods and services	-40,876	-52,316	-18,362	-11,642	-12,629	-12,315	-10,567	-14,124	-14,200	-13,322
16	Merchandise, adjusted, excluding military <sup>1</sup>	-32,972	-36,787	-7,079	-8,199	-8,460	-8,685	-7,334	-9,732	-9,180	-9,880
17	Military expenditures	-4,530	-4,862	-1,102	-1,116	-1,143	-1,165	-1,204	-1,220	-1,220	-1,240
18	Transportation	-3,248	-2,464	-715	-673	-701	-720	-677	-502	-563	-602
19	Travel	-3,022	-3,372	-603	-781	-1,337	-642	-642	-872	-1,363	-574
20	Private payments for other services	-625	-887	-158	-194	-167	-148	-164	-166	-164	-163
21	U.S. Government payments for other services	-749	-712	-143	-141	-202	-243	-152	-147	-200	-304
22	Income on foreign investments in the United States:										
23	Private payments <sup>3</sup>	-2,231	-3,064	-406	-623	-664	-625	-767	-857	-1,092	-1,087
24	U.S. Government payments	-702	-777	-174	-184	-166	-168	-185	-192	-188	-212
25	Balance on goods and services (lines 1 and 14)	3,554	n.a.	1,006	1,264	-6	1,647	864	739	-279	n.a.
26	Excluding transfers under military grants (lines 2 and 14)	2,516	2,473	749	1,661	-229	915	724	513	-427	2,362
27	Unilateral transfers, net; transfers to foreigners (-)	-2,783	n.a.	-394	-968	-944	-895	-766	-1,065	-875	n.a.
28	Excluding military grants	-2,445	-2,311	-687	-787	-709	-742	-680	-840	-627	-629
29	Private remittances	-753	-758	-173	-196	-197	-187	-161	-108	-197	-202
30	Military grants of goods and services	-686	n.a.	-227	-223	-226	-162	-160	-228	-248	n.a.
31	Other U.S. Government grants <sup>4</sup>	-1,706	-1,649	-302	-479	-300	-463	-360	-561	-328	-305
32	U.S. Government pensions and other transfers	-490	-853	-92	-91	-122	-102	-90	-101	-103	-102
33	Balance on goods, services, and unilateral transfers (lines 23 and 25, or 24 and 26) <sup>5</sup>	-349	-739	113	304	-949	173	99	-347	-1,454	654
34	Transactions in U.S. private assets, net; increase in assets (-)	-5,157	-6,069	-874	-1,546	-1,348	-1,399	-1,400	-2,139	-779	-762
35	Direct investments <sup>2</sup>	-2,026	-3,060	-823	-1,004	-1,012	-428	-969	-1,067	-804	-112
36	Foreign securities newly issued in the United States	-1,659	-1,028	-303	-373	-324	-570	-664	-256	-497	-338
37	Redemptions	495	478	180	224	01	80	134	85	80	183
38	Other transactions in foreign securities	-102	-230	-55	10	-43	-21	74	-236	-68	12
39	Claims reported by U.S. banks:										
40	Long-term	368	326	148	40	156	4	133	81	121	34
41	Short-term	-89	-857	219	158	-79	-872	77	-688	255	-601
42	Claims reported by U.S. residents other than banks:										
43	Long-term	-174	-348	34	-32	-67	-118	-82	-81	-2	-180
44	Short-term	-680	306	-299	-600	-88	35	-100	-79	244	184
45	Transactions in U.S. Government assets, excluding official reserve assets, net; increase in assets (-)	-2,249	-2,237	-743	-716	-559	-373	-468	-727	-647	-375
46	Loans and other long-term assets <sup>1</sup>	-3,713	-3,470	-1,171	-830	-788	-816	-902	-966	-702	-796
47	Foreign currencies and other assets <sup>1</sup>	72	85	131	-99	5	24	231	-111	-50	-5
48	Repayments on credits:										
49	Scheduled	1,123	1,282	266	317	207	342	250	338	286	420
50	Nonscheduled (including sales of foreign obligations to foreigners)	289	-87	42	8	56	180	44	21	-164	-11
51	Transactions in U.S. official reserve assets, net; increase in assets (-)	-680	-1,137	944	-137	-371	-1,076	-45	-256	-656	-154
52	Gold	1,173	-967	1,362	22	-74	-137	50	-317	-11	-683
53	Convertible currencies	-1,184	814	-601	267	-474	-676	-73	244	-442	1,068
54	Gold tranche position in IMF	-870	-1,034	-37	-426	-23	-364	-84	-225	-233	-542
55	Transactions in foreign assets in the United States, net; increase in foreign assets (U.S. liabilities) (+)	9,277	12,114	333	2,490	2,848	1,907	2,368	4,468	4,465	574
56	Direct investments <sup>2</sup>	319	748	251	6	33	41	237	169	139	203
57	U.S. securities other than Treasury issues	4,860	3,032	829	1,116	1,115	1,298	1,573	337	305	639
58	Long-term liabilities reported by U.S. banks	280	-676	88	176	179	248	-49	-179	-268	-185
59	Other liabilities reported by U.S. private residents other than banks:										
60	Long-term	873	563	154	104	19	344	148	69	155	235
61	Short-term	793	43	43	266	286	202	-76	49	105	-50
62	Nonmarketable liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions:										
63	Associated with specific transactions	-138	194	-37	-44	-42	-4	-76	26	-2	215
64	Other medium-term securities and long-term obligations	2,019	-41	273	772	409	650	95	-171	-115	160
65	U.S. Treasury marketable or convertible bonds and notes <sup>1</sup>	-600	-187	-313	-22	-162	-114	1	-39	152	-281
66	Deposits and money market paper held in the United States <sup>1</sup>	1,212	8,432	-430	54	1,121	452	1,215	4,184	3,006	-443
67	Errors and omissions, net	-642	-2,363	-333	-395	223	-442	-1,222	-336	-799	-17

<sup>1</sup> Revised. <sup>2</sup> Preliminary. n.a. Not available. <sup>3</sup> Less than \$500,000 ( $\pm$ ).  
 Lines 50, 54, and 66 for 1968, total, II, III, and IV, include revisions made in September 1969 Survey.

1. Details for lines 3 and 15 are given in table 4; for lines 23, 42, 43, 56, and 67, in table 5; for lines 27 through 40, in table 6; and for lines 56 and 60, in table 7.

2. Excludes undistributed profits of subsidiaries.

3. Numerically equal to net foreign investment in U.S. national income and product accounts.

4. Negative entry reflects repurchase of foreign obligations previously sold.

Note.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.



Table 2.—U.S. International Transactions—Seasonally Adjusted  
(Millions of dollars)

Line	(Credits +; debits -)	1968 <sup>1</sup>				1969			
		I	II	III	IV	I*	II*	III*	IV*
1	Exports of goods and services.....	12,171	12,892	13,878	12,605	12,079	14,488	14,801	N.A.
2	Excluding transfers under military grants.....	12,334	12,663	13,344	12,453	11,919	14,254	14,583	14,681
3	Merchandise, adjusted, excluding military <sup>1</sup> .....	7,051	8,305	8,870	8,283	7,478	9,500	9,581	9,320
4	Transfers under military sales contracts.....	268	383	405	304	414	231	417	241
5	Transfers under military grants, net.....	237	223	226	182	160	238	248	N.A.
6	Transportation.....	717	781	757	720	621	810	832	800
7	Travel.....	440	424	450	458	504	516	523	500
8	Tolls and royalties from direct investments.....	207	223	230	230	323	339	381	347
9	Other private services.....	272	281	296	298	278	404	413	421
10	Other U.S. Government services.....	81	88	86	85	86	101	104	94
11	Income on U.S. investments abroad:								
12	Direct investments <sup>2</sup> .....	1,102	1,208	1,212	1,277	1,388	1,373	1,426	1,440
13	Other private assets.....	480	475	515	500	517	561	591	600
14	U.S. Government assets.....	209	206	232	240	232	251	245	224
15	Imports of goods and services.....	-11,463	-11,827	-12,435	-12,382	-11,571	-13,964	-13,847	-13,122
16	Merchandise, adjusted, excluding military <sup>1</sup> .....	-7,817	-8,131	-8,586	-8,458	-7,870	-9,590	-9,243	-8,378
17	Military expenditures.....	-1,102	-1,118	-1,143	-1,180	-1,204	-1,205	-1,220	-1,248
18	Transportation.....	-780	-785	-841	-858	-744	-878	-902	-930
19	Travel.....	-703	-732	-782	-735	-821	-855	-800	-808
20	Private payments for other services.....	-157	-167	-163	-158	-154	-158	-150	-155
21	U.S. Government payments for other services.....	-158	-163	-170	-247	-168	-180	-177	-200
22	Income on foreign investments in the United States:								
23	Private payments <sup>3</sup> .....	-400	-440	-405	-470	-508	-483	-1,038	-894
24	U.S. Government payments.....	-172	-186	-165	-179	-184	-194	-197	-202
25	Balance on goods and services (lines 1 and 14).....	708	1,064	1,138	455	508	416	834	N.A.
26	Excluding transfers under military grants (lines 2 and 14).....	471	841	908	301	348	280	798	728
27	Unilateral transfers, net; transfers to foreigners (-):	-372	-313	-382	-338	-743	-1,019	-835	N.A.
28	Excluding military grants.....	-328	-280	-345	-274	-601	-733	-587	-722
29	Private remittances.....	-194	-183	-203	-183	-172	-185	-204	-197
30	Military grants of goods and services.....	-237	-223	-226	-182	-160	-220	-248	N.A.
31	Other U.S. Government grants <sup>4</sup> .....	-628	-418	-441	-480	-520	-507	-588	-438
32	U.S. Government pensions and other transfers.....	-92	-91	-122	-102	-98	-101	-103	-102
33	Balance on goods, services, and unilateral transfers (lines 23 and 25, or 24 and 25) <sup>5</sup> .....	-164	151	143	-473	-335	-543	79	-3
34	Transactions in U.S. private assets, net; increase in assets (-):	-684	-1,537	-1,848	947	-1,387	-2,063	-1,279	-924
35	Direct investments <sup>2</sup> .....	-472	-1,008	-1,262	-282	-928	-1,067	-1,134	58
36	Foreign securities newly issued in the United States.....	-305	-350	-380	-637	-564	-228	-661	-280
37	Redemptions.....	100	224	61	80	130	85	80	188
38	Other transactions in foreign securities.....	-19	-28	-48	2	111	-284	-91	34
39	Claims reported by U.S. banks: <sup>1</sup>								
40	Long-term.....	148	40	185	4	123	31	131	34
41	Short-term.....	96	194	-238	-124	-51	-532	79	-243
42	Claims reported by U.S. residents other than banks: <sup>1</sup>								
43	Long-term.....	24	-32	-47	-119	-82	-81	-3	-180
44	Short-term.....	-283	-375	-122	30	-106	15	210	186
45	Transactions in U.S. Government assets, including official reserve assets, net; increase in assets (-):	-739	-639	-527	-314	-493	-648	-857	-417
46	Loans and other long-term assets <sup>1</sup> .....	-1,067	-949	-840	-706	-788	-1,008	-842	-783
47	Foreign currencies and other assets <sup>1</sup> .....								
48	Repayments on credits:								
49	Scheduled.....	287	307	278	240	281	323	238	347
50	Unscheduled (including sales of foreign obligations to foreigners).....	47	3	65	196	44	34	-154	-11
51	Transactions in U.S. official reserve assets, net; increase in assets (-):	584	-137	-871	-1,076	-48	-299	-698	-164
52	Gold.....	1,382	32	-74	-127	86	-217	-11	-605
53	Convertible currencies.....	-481	267	-274	-578	-73	346	-442	1,083
54	Gold franchise position in IMF.....	-67	-428	-23	-364	-31	-238	-233	-512
55	Transactions in foreign assets in the United States, net; increase in foreign assets (U.S. liabilities) (+):	1,215	2,648	2,515	2,903	3,361	4,628	2,635	581
56	Direct investments <sup>2</sup> .....	281	5	25	41	237	190	150	208
57	U.S. securities other than Treasury issues.....	829	1,116	1,116	1,200	1,373	337	393	520
58	Long-term liabilities reported by U.S. banks.....	56	175	116	240	-49	-176	-205	-185
59	Other liabilities reported by U.S. private residents other than banks:								
60	Long-term.....	154	105	10	344	145	69	151	285
61	Short-term.....	43	209	236	202	-75	49	125	-80
62	Nonmarketable liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions: <sup>1</sup>								
63	Associated with specific transactions.....	-81	15	-107	15	-80	84	-67	237
64	Other medium-term securities and long-term obligations.....	373	772	405	850	95	-171	-115	150
65	U.S. Treasury marketable or convertible bonds and notes <sup>1</sup> .....	-340	138	710	214	1,723	4,187	3,294	-680
66	Deposits and money market paper held in the United States <sup>1</sup> .....								
67	Errors and omissions, net.....	-418	-488	309	-68	-1,239	-1,838	-1,834	345

\* Revised. \* Preliminary. \* Less than \$500,000 (a). a.s. Not available.  
† Lines 50, 58, and 59 for 1968, II, III, and IV, include revisions made in September 1969 Survey.  
Source: U.S. Department of Commerce, Office of Business Economics.

1. Details for lines 3 and 15 are given in table 4; for lines 29, 42, 43, 45, and 57, in table 5; for lines 37 through 40, in table 6; and for lines 58 and 59, in table 7.  
2. Excludes undistributed profits of subsidiaries.  
3. Numerically equal to net foreign investment in U.S. national income and product accounts.  
4. Negative entry reflects repurchases of foreign obligations previously sold.

Table 3.—U.S. Balance of Payments and Reserve Position

(Millions of dollars)

Line		1968	1969	1968				1969				Amounts outstanding December 31, 1969 <sup>1</sup>
				I	II	III	IV	I*	II*	III*	IV*	
	Balance on liquidity basis—measured by increase in U.S. official reserve assets and decrease in liquid liabilities to all foreigners:											
1	Seasonally adjusted; decrease in net assets (—)			-584	8	-139	963	-1,678	-3,888	-7,669	1,113	
2	Less seasonal adjustment			-287	-98	290	124	-407	-75	394	115	
3	Before seasonal adjustment (lines 1 and 2, with sign reversed)	188	-7,438	-287	105	-408	739	-1,266	-3,814	-7,972	998	
4	U.S. official reserve assets (table 1 line 49); increase (—)	-880	-1,187	904	-137	-571	-1,076	-48	-299	-586	-154	18,961
5	Gold	1,178	-957	1,362	22	-74	-127	86	-317	-11	-668	11,889
6	Convertible currencies	-1,183	814	-901	267	-474	-576	-73	246	-442	1,088	2,781
7	IMF gold tranche position	-870	-1,834	-57	-428	-23	-364	-31	-238	-233	-542	2,324
8	Liquid liabilities to all foreigners (table 1, lines 58 and 59); decrease (—)	712	8,248	-687	32	979	338	1,319	4,115	3,832	-844	41,874
9	To official agencies	-2,049	-527	-1,388	-2,100	-38	487	-1,708	-538	2,329	-520	18,001
10	To commercial banks <sup>2</sup>	3,342	9,372	938	2,205	984	-418	3,134	4,719	1,864	-122	28,744
11	To other foreign residents and unallocated <sup>3</sup>	374	-487	4	103	44	123	-23	-148	-148	-127	4,472
12	To international and regional organizations	88	-63	79	-58	19	43	-88	82	8	-55	559
	Balance on official reserve transactions basis—measured by increase in U.S. official reserve assets and decrease in liquid and certain nonliquid liabilities to foreign official agencies:											
13	Seasonally adjusted; decrease in net assets (—)			-379	1,453	97	367	1,122	1,225	-827	1,291	
14	Less seasonal adjustment			-470	3	28	442	-679	21	160	440	
15	Before seasonal adjustment (lines 13 through 14, with sign reversed)	1,638	2,712	31	1,550	72	-75	1,711	1,206	-1,043	530	
16	U.S. official reserve assets (line 4); increase (—)	-880	-1,187	904	-137	-571	-1,076	-48	-299	-586	-154	18,961
17	Liquid liabilities to foreign official agencies (line 9); decrease (—)	-2,049	-527	-1,388	-2,100	-38	487	-1,708	-538	2,329	-520	18,001
18	Certain nonliquid liabilities to foreign official agencies; decrease (—)	2,341	-999	383	777	537	684	45	-398	-570	-106	4,150
19	Liabilities reported by U.S. private residents (table 1, portion of line 54)	638	-880	116	190	131	188	-43	-198	-291	-208	1,506
20	Liabilities reported by U.S. Government (table 1, portions of lines 58 and 57)	1,806	-162	247	627	406	526	88	-172	-119	41	1,644

\* Preliminary.

1. Position figures reflect increases of \$67 million in convertible currencies (line 6) and \$84 million in nonliquid liabilities of U.S. Government (line 20), resulting from revaluation of German mark in October 1968.

2. Includes deposits of foreign branches of U.S. banks and of foreign commercial banks, associated with their U.S.-dollar denominated liabilities to foreign official agencies.

3. May include U.S. Government bonds and notes held by foreign commercial banks.

Table 4.—U.S. Merchandise Trade

(Millions of dollars)

Line		1968	1969	Not seasonally adjusted								Seasonally adjusted							
				1968				1969				1968				1969			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
EXPORTS																			
1	Merchandise exports, Census basis, including reexports and military grant shipments.....	34,436	37,868	8,163	8,877	9,581	9,063	7,791	10,332	9,444	10,511	8,175	8,577	9,175	8,739	7,719	10,841	10,060	10,138
2	Excluding military grant shipments.....	34,463	37,314	8,022	8,705	9,425	8,911	7,641	10,151	9,261	10,341	8,058	8,465	9,019	8,681	7,578	10,561	9,847	9,968
2a	Additions, "regular", to Census exports.....	339	345	90	81	66	82	90	83	88	88	90	81	86	82	105	76	90	84
2b	Private gift parcel remittances.....	75	71	17	17	16	25	12	17	16	24	17	17	16	23	12	17	14	20
2c	Exports of the Virgin Islands.....	31	26	8	4	11	8	8	4	5	8	6	4	11	8	4	5	5	8
2d	Gold exports, nonmonetary.....	5	1	2	3	1	1	1	1	1	1	3	3	1	1	1	1	1	1
2e	Inland freight valuation adjustment.....	228	237	53	59	55	53	60	57	62	68	53	50	55	61	65	61	63	67
2f	Other "regular" additions.....	-9	11	0	-2	2	-13	10	-7	8	-7	9	-2	3	-13	10	-7	0	-7
3	Deductions, "regular", from Census exports.....	828	1,268	170	164	214	268	262	377	326	243	170	104	214	260	282	277	328	243
3a	DOD military export sales.....	787	1,177	162	167	200	272	264	370	318	235	163	157	200	272	254	370	318	243
3b	Other "regular" deductions.....	31	91	8	7	8	8	8	7	8	8	8	7	8	8	8	7	8	8
4	Special and miscellaneous adjustments (net).....	24	16		21	-4	7	47	20	-60		-7	13	-12		57	30	-60	10
4a	Of which: quarterly allocation of annual seasonal adjustment discrepancy.....											-7	-8	-8	-7	10	10	10	10
5	Equals: Merchandise exports, adjusted to balance of payments basis (table 1, line 2).....	32,639	36,487	7,942	8,641	9,267	8,792	7,445	9,885	8,844	10,399	7,941	8,395	8,879	8,383	7,475	9,596	9,881	9,829
IMPORTS																			
7	Merchandise imports, Census basis (general imports).....	33,226	36,082	7,764	8,258	8,487	8,749	7,499	9,781	9,198	9,887	7,847	8,163	8,516	8,528	7,443	9,435	9,361	9,445
8	Additions, "regular", to Census imports.....	337	367	97	80	70	71	107	113	80	97	97	89	70	71	107	113	80	97
8a	Imports of the Virgin Islands.....	109	170	29	27	31	21	57	58	29	34	30	27	31	21	57	58	29	34
8b	Gold imports, nonmonetary.....	211	219	68	60	37	48	48	61	48	61	68	68	37	48	48	61	40	61
8c	Other "regular" additions.....	6	8	2	2	2	2	2	2	2	2	3	3	2	3	2	2	2	3
9	Deductions, "regular", from Census imports.....	672	646	122	148	120	174	160	168	184	184	120	142	138	180	157	180	168	171
9a	DOD military import purchases.....	285	226	65	66	66	71	79	79	87	72	83	68	71	79	78	87	72	72
9b	Automotive valuation adjustment.....	380	340	68	70	53	102	90	80	96	111	64	75	71	88	77	84	87	86
9c	Other "regular" deductions.....	4	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
10	Special and miscellaneous adjustments (net).....	-9	-0	-50		52	-11	-21	6	0		-17	33	86	21	-14	14	17	7
10a	Of which: quarterly allocation of annual seasonal adjustment discrepancy.....											23	35	24	33	7	5	5	7
11	Equals: Merchandise imports, adjusted to balance of payments basis (table 1, line 14).....	32,557	35,737	7,679	8,159	8,459	8,635	7,325	9,753	9,150	9,680	7,817	8,131	8,586	8,408	7,579	9,539	9,243	9,378
12	Balance on merchandise trade, Census basis, excluding military grant shipments (line 5 less line 7).....	337	1,249	268	449	-32	163	152	378	65	674	161	314	471	58	-45	226	566	626
13	Balance on merchandise trade, adjusted to balance of payments basis (line 5 less line 11).....	825	650	263	444	-158	85	110	163	-186	613	124	254	343	-75	-104		338	453
TRADE BY END-USE CATEGORIES																			
14	Merchandise exports, Census basis, including military grant shipments (table 4, line 1).....	34,436	37,868	8,168	8,887	9,581	9,063	7,791	10,332	9,444	10,511	8,175	8,577	9,175	8,739	7,729	10,841	10,060	10,138
14a	Agricultural products.....	5,381	6,004	1,030	1,504	1,440	1,701	947	1,718	1,420	1,913	1,859	1,542	1,825	1,495	968	1,789	1,681	1,688
14b	Nonagricultural products.....	28,335	31,864	6,513	7,383	7,141	7,362	6,744	8,614	8,024	8,608	6,316	7,035	7,350	7,244	6,751	9,052	8,469	8,450
14c	Excluding military grant shipments.....	27,793	31,310	6,346	7,201	6,966	7,210	6,614	8,433	7,838	8,428	8,089	6,923	7,414	7,083	6,628	8,909	8,288	8,380
15	Food, feeds, and beverages.....	4,818	4,687	1,270	1,141	1,071	1,332	769	1,298	1,114	1,600	1,298	1,150	1,191	1,385	783	1,809	1,223	1,335
15a	Grains and preparations.....	2,822	2,516	831	672	632	687	377	741	683	735	819	679	687	660	385	751	702	704
15b	Soybeans.....	810	829	183	171	134	223	134	194	118	270	198	178	217	117	143	202	198	253
15c	Other foods, feeds, and beverages.....	1,187	1,390	256	298	305	422	258	863	325	595	271	293	307	306	274	850	337	379
16	Industrial supplies and materials.....	11,006	11,758	2,480	2,601	2,500	2,788	2,122	2,253	2,102	2,291	2,029	2,280	2,007	2,098	2,279	2,250	2,125	2,214
16a	Fuels and lubricants.....	1,059	1,134	294	289	206	260	212	212	206	313	257	296	270	258	248	300	260	313
17	Paper and paper base stocks.....	838	908	182	208	229	288	168	247	227	254	182	208	232	207	167	242	228	255
17a	Textile supplies and materials.....	1,022	872	205	274	244	308	182	310	228	232	207	285	281	193	145	292	357	217
17b	Raw cotton, including lint.....	468	286	185	126	100	75	20	190	71	50	139	140	125	67	23	145	88	40
17c	Tobacco, unmanufactured.....	824	840	101	109	184	181	50	142	134	214	135	138	143	115	67	170	124	164
17d	Chemicals, excluding medicinals.....	2,764	3,743	611	709	774	668	626	777	734	700	634	693	701	681	538	787	717	710
17e	Other nonmetals (rubber, talc, minerals, wood, rubber, tires, etc.).....	2,367	2,388	535	573	502	664	400	640	611	640	524	581	622	580	481	637	640	638
17f	Steelmaking materials.....	275	271	50	68	79	78	42	98	130	104	73	58	80	81	54	83	112	108
17g	Iron and steel products.....	741	1,126	167	174	180	220	185	275	292	374	158	173	202	207	186	272	310	343
17h	Other metals, primary and advanced, including advanced steel.....	1,833	1,022	316	417	413	380	300	460	440	442	300	400	430	800	201	426	460	467
18	Capital goods, except automotive.....	11,072	12,322	2,840	2,900	2,738	2,781	2,776	3,263	3,004	3,282	2,884	2,768	2,864	2,778	2,732	3,006	2,799	2,775
18a	Machinery, except consumer-type.....	8,942	9,892	2,263	2,263	2,168	2,186	2,171	2,700	2,511	2,601	2,302	2,187	2,310	2,169	2,104	2,874	2,687	2,636
18b	Electrical and electronic, and parts and attachments.....	1,587	1,857	304	406	368	401	481	402	474	485	393	390	416	301	300	477	587	478
18c	Nonmetallic, and parts and attachments.....	7,066	8,135	1,871	1,858	1,770	1,780	1,710	2,112	2,017	2,170	1,667	1,767	1,903	1,771	1,709	2,007	2,189	2,156
18d	Construction machinery and nonfarm tractors and parts.....	1,638	1,680	226	287	480	303	321	480	434	450	326	379	423	307	326	447	448	463
18e	Textile and other specialized industry machinery and parts.....	780	705	163	188	174	184	163	215	199	210	172	178	186	174	171	292	211	208
18f	Other industrial machinery and parts, n.e.s.....	2,062	3,478	735	892	744	782	739	961	870	1068	751	787	948	741	741	913	929	897
18g	Agricultural machinery and farm tractors and parts.....	413	417	116	118	92	99	88	133	95	91	105	90	108	185	90	110	110	100
18h	Business and office machines, computers, etc., and parts.....	900	1,296	217	200	226	246	265	267	288	297	211	263	233	264	239	342	343	343
18i	Scientific, professional, and service-industry equipment.....	478	543	110	120	115	119	120	147	131	138	114	120	125	119	124	137	142	138
19	Civilian aircraft, engines, parts.....	2,297	2,300	597	613	557	670	638	610	444	587	548	580	614	501	507	481	514	608
19a	Civilian aircraft, complete—all types.....	1,405	1,241	352	372	334	346	427	270	212	322	352	372	334	248	427	270	213	322
19b	Other transportation equipment.....	109	121	35	33	20	24	27	38	35	34	29	30	23	23	31	31	27	31

Table 4.—U.S. Merchandise Trade—Continued  
(millions of dollars)

Line		1969	1968	Not seasonally adjusted								Seasonally adjusted							
				1968				1969				1969				1969			
				I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
42	Automotive vehicles, parts, and engines.....	3,463	3,699	793	938	708	1,010	922	1,058	844	1,054	780	888	870	884	913	997	1,048	942
43	To Canada.....	2,378	2,730	534	698	481	737	677	724	678	747	517	608	612	627	654	696	758	642
44	To all other areas.....	1,084	1,157	259	240	227	273	245	334	166	307	263	280	258	257	259	301	290	299
45	Passenger cars, new and used.....	889	1,029	280	287	154	301	270	353	158	304	261	278	285	285	258	254	300	230
46	Trucks, buses, and special vehicles.....	432	431	97	118	99	122	111	150	177	183	99	104	106	126	118	144	139	136
47	Parts, bodies, and accessories, including engines and parts, n.e.c.....	2,088	2,324	416	573	453	597	535	641	617	620	428	524	567	589	540	590	618	477
48	Consumer goods (nonfood), except automotive.....	2,334	2,686	628	615	611	590	583	711	663	650	528	503	641	474	585	681	691	633
49	Consumer durables, manufactured.....	890	1,016	207	235	221	226	228	284	263	251	206	223	285	226	222	270	281	267
50	Consumer nondurables, manufactured.....	1,344	1,451	362	353	390	354	355	427	373	373	302	280	356	248	363	410	410	366
51	Unmanufactured consumer goods (gem stones, precious and nonprecious).....	99	127	20	27	24	28	30	30	27	26	20	25	20	27	23	27	32	33
52	Special category, domestic (military-type goods).....	1,110	1,658	257	281	283	338	337	486	470	385	257	201	280	303	337	484	470	308
53	Exports, n.e.c., and reexports.....	849	1,087	102	218	208	233	312	288	260	359	108	202	218	233	319	249	268	341
54	Domestic (low-value, miscellaneous).....	414	643	93	107	100	114	111	126	111	112	66	100	104	112	90	119	110	209
55	Foreign (reexports).....	435	444	109	110	108	119	117	161	149	147	102	102	112	121	129	151	142	132
56	Merchandise imports, Census basis (table 4, line 8).....	33,224	34,622	7,744	8,358	8,467	8,749	7,409	9,781	9,185	9,687	7,837	8,161	8,548	8,536	7,643	8,636	9,100	9,443
57	Food, feeds, and beverages.....	5,371	5,236	1,188	1,201	1,439	1,340	994	1,433	1,327	1,455	1,222	1,228	1,430	1,375	1,648	1,449	1,311	1,414
58	Cereals, except wheat.....	1,038	1,004	201	201	241	241	241	241	241	241	241	241	241	241	241	241	241	241
59	Green coffee.....	1,490	1,490	289	289	289	289	289	289	289	289	289	289	289	289	289	289	289	289
60	Cane sugar.....	648	638	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189
61	Other food, feeds, and beverages.....	3,565	3,589	719	806	888	882	711	994	899	935	778	818	919	925	798	989	911	897
62	Industrial supplies and materials.....	14,159	14,163	3,611	3,698	3,671	3,484	3,033	3,618	3,600	3,606	3,426	3,461	3,659	3,558	3,116	3,791	3,577	3,657
63	Fuels and lubricants.....	2,809	2,777	667	668	682	641	700	664	664	664	609	604	642	644	649	698	674	729
64	Paper and paper base stocks.....	1,431	1,568	337	378	386	380	258	408	401	450	325	370	337	364	278	268	397	432
65	Materials associated with nondurable goods and farm output.....	2,749	2,658	735	696	694	688	588	798	848	824	690	663	730	701	554	757	736	662
66	Textile supplies and materials.....	1,186	1,442	300	300	300	300	249	334	293	261	281	272	319	294	289	293	293	293
67	Tobacco, unmanufactured.....	148	137	81	24	30	34	29	58	39	15	48	20	47	50	16	45	88	18
68	Chemicals, excluding medicinals.....	689	706	172	174	171	171	145	208	178	170	172	161	170	170	148	189	185	180
69	Other (kides, copra, materials for making photos, drugs, dyes).....	732	601	180	186	181	179	164	195	148	173	164	190	164	182	151	187	187	176
70	Building materials, except metals.....	1,672	1,197	216	250	202	312	282	366	298	243	241	238	264	337	310	248	269	286
71	Materials associated with durable goods output, n.e.c.....	6,288	5,948	1,664	1,704	1,647	1,481	1,106	1,887	1,882	1,882	1,658	1,657	1,889	1,482	1,217	1,905	1,895	1,559
72	Structuring materials.....	673	848	130	182	289	181	84	181	194	213	108	170	172	148	133	199	151	108
73	Iron and steel products.....	2,123	1,814	419	556	613	585	278	809	544	487	473	638	584	530	324	589	482	498
74	Other metals, primary and advanced, including advanced steel.....	2,744	2,382	832	761	591	580	528	651	584	598	431	720	612	552	541	610	597	498
75	Nonmetals (gums, oils, resins, minerals, rubber, sizes, etc.).....	800	1,021	206	206	234	226	214	272	244	278	304	203	236	223	218	268	262	269
76	Capital goods, except automotive.....	2,825	3,331	677	661	703	753	674	925	898	872	691	871	722	740	681	888	881	870
77	Machinery, except consumer-type.....	2,637	3,154	632	646	694	696	628	899	871	836	696	828	692	692	638	860	828	824
78	Electrical and electronic, and parts and attachments.....	700	870	163	164	168	162	187	230	228	239	186	148	181	161	162	228	234	217
79	Non-electrical, and parts and attachments.....	1,038	2,284	479	481	484	494	441	652	504	486	483	487	902	801	444	621	634	607
80	Construction, textile and other specialized-industry machinery and nonfarm tractors and parts.....	460	602	111	108	119	122	80	146	138	132	115	105	110	126	89	140	129	138
81	Other industrial machinery and parts, n.e.c.....	734	688	173	172	187	188	170	247	241	224	180	189	184	187	177	247	237	225
82	Agricultural machinery and farm tractors and parts.....	337	347	300	83	78	71	77	114	74	82	200	47	98	82	73	94	87	93
83	Business and office machines, computers, etc., and parts.....	226	330	36	66	54	65	63	8	90	89	50	62	60	60	82	80	104	93
84	Scientific, professional and service-industry equipment and parts; and miscellaneous transportation equipment.....	170	212	41	44	46	46	41	65	67	59	44	44	44	46	42	55	54	80
85	Civilian aircraft, engines, parts.....	182	177	48	47	39	37	40	43	46	45	46	46	46	46	43	43	43	46
86	Civilian aircraft, complete—all types.....	100	110	24	26	18	41	29	21	29	28	24	26	18	41	39	24	26	28
87	Automotive vehicles, parts, and engines.....	4,298	5,348	963	1,077	888	1,337	1,148	1,432	1,175	1,572	896	1,094	1,116	1,245	1,053	1,394	1,478	1,470
88	From Canada.....	2,819	3,494	608	687	400	678	600	881	712	1,007	650	814	848	782	787	826	938	887
89	From all other areas.....	1,479	1,854	355	420	288	461	248	551	463	565	246	280	268	457	267	568	540	583
90	Passenger cars, new and used.....	2,794	3,380	622	739	583	803	680	930	730	1,002	643	800	784	800	691	828	948	910
91	Trucks, buses, and special vehicles.....	479	722	300	369	173	163	158	150	150	204	181	143	221	188	166	200	214	214
92	Parts, bodies, and accessories, including engines and parts, n.e.c.....	1,020	1,246	380	249	209	211	204	216	280	261	234	241	241	207	279	304	336	340
93	Consumer goods (nonfood), except automotive.....	5,330	5,608	1,068	1,287	1,312	1,481	1,263	1,679	1,643	1,780	1,280	1,363	1,370	1,502	1,488	1,738	1,821	1,836
94	Consumer durables, manufactured.....	2,784	3,422	548	634	786	787	632	871	864	904	610	683	782	728	716	809	809	884
95	Consumer nondurables, manufactured.....	2,009	2,480	424	475	501	610	470	848	737	824	472	496	607	672	637	690	692	631
96	Unmanufactured consumer goods (gums, nursery stock).....	457	601	128	147	141	164	144	169	143	152	128	137	140	142	143	168	140	140
97	Imports, n.e.c. (low value, goods returned, military aircraft, Government purchased uranium, precious, exhibits).....	1,487	1440	302	337	330	369	313	276	383	209	310	222	342	347	337	384	397	397

\* Preliminary.

1. Mainly includes not additions or liquidations of U.S.-owned grains into or out of storage in Canada; and exports of electrical energy.

2. Reflects exports of military equipment under Department of Defense (DOD) sales contracts with foreign governments to the extent such exports are identifiable from Census export documents; these exports are contained in table 1, line 4 (Transfers under military sales contracts).

3. Mainly includes exports of exposed motion picture film for rental rather than sale; and exports to Panama Canal Zone.

4. Reflects irregular and occasional special adjustments: valuation adjustments for goods considered to be underpriced or overpriced in Census data; timing adjustments for goods recorded in Census data in one period but found to have been shipped in another; and cover-

age adjustments for special situations in which shipments were omitted from Census data.

5. To correct total exports (and total imports) for discrepancy between seasonally adjusted sum of four quarters and recorded, unadjusted annual figures.

6. Mainly imports of electrical energy.

7. Consists mainly of foreign charges for repair of U.S. vessels abroad, which are included in tables 1, 2, and 3, line 17 (Transportation); imports from Panama Canal Zone; and imports of domestically owned grains returned from storage in Canada.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.



Table 5.—Major U.S. Government Transactions

(Millions of dollars)

Line		1968	1969 *	1968				1969			
				I	II	III	IV	I	II	III	IV *
A. 1	U.S. Government grants (excluding military) and transactions increasing Government assets, total (table 1, lines 29, 42, and 43, with sign reversed)	5,347	5,478	1,433	1,585	1,172	1,235	1,127	1,438	1,033	1,188
1a	Seasonally adjusted			1,433	1,585	1,201	1,251	1,118	1,416	1,223	1,210
	By category										
2	Grants, net	2,708	1,540	392	470	308	453	365	561	326	305
3	Credits repayable in foreign currencies	558	432	383	78	32	80	286	62	20	48
4	Other foreign currency assets (excluding administrative cash holdings), net	-71	-201	-131	66	10	-14	-231	119	4	7
	Receipts from—										
5	Sales of agricultural commodities	558	334	261	170	81	85	180	29	29	29
6	Interest	186	205	49	47	47	83	90	60	48	51
7	Repayments of principal	125	146	37	33	23	34	20	41	37	38
8	Reversal grants	3	2	1	1	3	(*)	1	(*)	1	1
9	Other sources	32	10	6	10	13	3	6	1	3	1
	Less disbursements for—										
10	Grants in the recipient's currency	225	147	64	73	50	69	36	26	48	36
11	Credits in the recipient's currency	465	313	83	83	16	28	264	32	13	15
12	Other grants and credits	5	12	2	1	1	1	1	2	1	7
13	Other U.S. Government expenditures	800	338	93	80	70	72	62	80	100	80
14	Capital subscriptions to international and regional organizations, excluding IMF	127	184	28	45	17	28	22	55	50	57
15	Credits repayable in U.S. dollars	2,029	2,980	746	814	730	731	678	678	612	604
16	Other assets (including changes in administrative cash holdings), net	-1	46	3	35	-14	-21	(*)	-7	64	(*)
	By program										
17	Under farm product disposal programs	1,260	1,185	405	410	191	355	108	805	182	266
18	Under Foreign Assistance Acts and related programs	2,145	2,182	616	672	538	519	487	655	488	527
19	Under Export-Import Bank Act	2,517	1,258	370	382	304	371	337	365	272	234
20	Capital subscriptions to international and regional organizations, excluding IMF	127	184	28	45	17	28	22	55	50	57
21	Other assistance programs	283	258	74	64	30	58	22	85	30	60
22	Other foreign currency assets acquired (lines A.6, A.7, and A.9)	382	368	99	89	89	90	86	86	87	86
23	Less foreign currencies used by U.S. Government other than for grants or credits (line A.13)	300	326	63	58	73	72	62	88	100	85
24	Advances under Exchange Stabilization Fund agreements, net	-5	(*)	-1	-1	-1	-1	(*)			
25	Other (including changes in administrative cash holdings), net	0	32	2	24	-6	-11	-3	-14	50	-3
	By disposition										
26	Estimated transactions involving no direct dollar outflow from the United States	4,706	4,319	1,206	1,300	1,060	1,050	962	1,482	867	1,006
27	Expenditures on U.S. merchandise	3,331	3,102	947	897	783	734	627	1,361	850	744
28	Expenditures on U.S. services	855	794	219	228	190	192	198	229	160	187
29	Military sales contracts financed by U.S. Government credits * (line B.4)	564	535	116	175	180	184	162	166	100	103
30	U.S. Government credits to repay prior U.S. Government credits *	146	147	37	33	24	45	20	42	37	38
31	U.S. Government credits to repay prior U.S. private credits	116	88	46	33	19	19	11	27	31	10
32	Increase in claims on U.S. Government associated with Government grants and transactions increasing Government assets (including changes in retained accounts) (line B.7)	2	-12	-6	15	-6	-1	-4	-8	(*)	(*)
33	Less foreign currencies used by U.S. Government other than for grants or credits (line A.13)	300	326	63	58	73	72	62	88	100	85
34	Estimated dollar payments to foreign countries and international and regional organizations through U.S. Government grants and transactions increasing Government assets	541	751	138	205	123	177	165	206	101	150
B. 1	U.S. Government liabilities associated with specific transactions (table 1, line 56); net increase (+) or decrease (-)	-138	184	-47	-44	-43	-4	-78	25	-2	216
1a	Seasonally adjusted			-47	-44	-107	16	-80	81	-57	237
2	Associated with military sales contracts *	-137	178	-22	-68	-85	31	-70	-2	11	228
2a	Seasonally adjusted			-22	-68	-141	27	-76	-63	-47	238
3	U.S. Government receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds	874	1,453	188	282	182	355	242	322	203	581
4	Plus military sales contracts financed by U.S. Government credits * (line A.29)	564	535	116	175	180	184	162	166	100	103
5	Less U.S. Government receipts from principal repayments	228	305	24	98	8	107	67	87	38	117
6	Less transfers of goods and services (including transfers financed by credits) (table 1, line 4)	1,427	1,084	290	410	260	380	408	390	350	330
7	Associated with U.S. Government grants and transactions increasing Government assets (line A.33)	2	-12	-6	15	-6	-1	-4	-8	(*)	(*)
7a	Seasonally adjusted			-6	15	-6	-1	-4	-8	(*)	(*)
8	Non-interest-bearing securities issued to IDA										
9	Non-interest-bearing securities issued to IDB										
10	Non-interest-bearing securities issued to U.N. for special programs										
11	Foreign funds retained in U.S. Government accounts for purchases in the United States	2	-11	-5	16	-6	-2	-4	-7	(*)	(*)
12	Other	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
13	Associated with other specific transactions	-3	-3	-19	1	46	-33	-2	35	-13	-24
13a	Seasonally adjusted			-19	1	47	-30	-10	28	-27	-1
14	Purchase of Columbia River downstream power rights	-30	-30								
15	U.S. Government nonmilitary sales and miscellaneous operations	46	31	-3	1	51	-3	1	35	-11	8
16	Nonmarketable U.S. Government obligations to be liquidated against U.S. claims	-10	-4	-17		-2		-3		-2	
C. 1	Foreign holdings of nonmarketable medium-term U.S. Government securities and U.S. Government long-term obligations, payable before maturity only under special conditions, not associated with specific transactions (table 1, line 57); net increase (+) or decrease (-)	2,019	-41	273	773	499	554	95	-171	-116	150
2	Export-Import Bank Portfolio Certificates of Participation	47	-71	48	(*)		(*)	-10	-45	-16	(*)
3	German Government 10-year loan to U.S. Government		78								75
4	U.S. Treasury securities not included elsewhere *	1,003	-40	233	773	499	550	104	-126	-100	75

\* Preliminary. \* Revised. \* Less than \$500,000 (th).

1. The identification of transactions involving direct dollar outflow from the United States is made by the operating agency. Data for third and fourth quarters 1968 and for all quarters 1969 are based on extrapolations by OBE.

2. Line A.28 includes foreign currency collected as interest and line A.30 includes foreign currency collected as principal, as recorded in lines A.6 and A.7.

3. Includes same short-term U.S. Government claims, net of collections.

4. Consists of transfers of military goods and services financed by U.S. Government credits and of advance payments to the Defense Department (on military sales contracts) financed by credits extended to foreigners by U.S. Government agencies.

5. Transactions under military sales contracts are those in which the Defense Department

sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. The entries for the several categories of transactions related to military sales contracts in this and the other tables are partially estimated from incomplete data.

6. Consists of transfers of military goods and services financed by U.S. Government credits (included in line B.6) and of increases in Defense Department liabilities (on military sales contracts) which arise from advance payments to the Defense Department financed by credits to foreigners by U.S. Government agencies.

7. Includes securities payable in U.S. dollars and in convertible foreign currencies.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 6.—Claims on Foreigners Reported by U.S. Banks and U.S. Private Residents Other Than Banks

(Millions of dollars)

Line		1968	1969	1968				1969				Amounts outstanding December 31, 1969
				I	II	III	IV	I*	II*	III*	IV*	
A.	Claims reported by U.S. banks:											
1	Long-term (table 1, line 37, with sign reversed)	-358	-339	-168	-69	-144	-4	-133	-31	-131	-34	3,331
2	Canada	1	-25	-12	2	1	10	-28	-2	8	(*)	40
3	United Kingdom	12	-12	-2	11	0	-2	-1	-13	1	1	8
4	European Economic Community	-131	30	-28	-21	-49	-13	1	1	-18	43	140
5	Other Western Europe	-131	-10	-12	-48	-48	-15	-0	10	-48	-45	231
6	Japan	-10	-38	-8	-20	-18	-14	-8	-13	-8	-7	85
7	Other countries	-71	-108	-68	27	-61	31	-04	-14	-63	-25	2,284
8	Short-term (table 1, line 38, with sign reversed)	89	857	-279	-141	79	372	-77	555	-238	401	9,625
9	U.S.-dollar loans	13	199	-119	10	108	-34	41	119	-232	181	2,285
10	Canada	-43	53	-20	-17	17	-18	3	38	-28	40	210
11	United Kingdom	59	31	20	(*)	18	15	-7	-2	5	38	120
12	European Economic Community	-44	75	-01	28	25	-37	11	36	14	15	217
13	Other Western Europe	-79	20	-37	-15	-7	-20	25	8	-11	7	185
14	Japan	-11	75	(*)	-42	43	-12	68	-47	-1	68	678
15	Other countries	121	-155	-80	86	63	33	-67	87	-211	26	1,388
16	U.S.-dollar acceptance credits	-189	314	-22	-185	-51	100	-79	281	-94	135	3,202
17	Canada	19	28	9	1	2	5	4	10	3	9	66
18	United Kingdom	5	18	4	-3	3	2	-2	4	0	7	61
19	European Economic Community	-15	21	-14	1	-11	0	4	14	2	1	45
20	Other Western Europe	-15	-19	-5	-15	-3	13	-25	10	2	3	185
21	Japan	-100	46	7	-88	-111	83	-184	242	-141	74	1,680
22	Other countries	-45	213	-23	-81	73	-4	45	41	31	06	1,045
23	U.S.-dollar collections outstanding	181	219	78	-15	0	112	-58	117	189	02	1,054
24	Canada	0	8	6	-1	-2	4	0	-2	1	1	24
25	United Kingdom	13	8	3	1	0	4	-3	4	4	4	36
26	European Economic Community	11	38	-3	4	1	0	-5	27	-8	16	124
27	Other Western Europe	5	14	-7	-2	0	0	-8	6	3	11	88
28	Japan	71	119	48	-24	-5	62	-28	7	89	42	884
29	Other countries	75	42	31	17	3	24	-71	75	28	18	786
30	Other claims in U.S. dollars	42	148	-57	87	-42	94	68	-41	28	111	676
31	Canada	-30	161	-13	2	-34	10	86	-44	1	119	286
32	United Kingdom	23	16	-79	26	-16	32	20	2	21	-27	10
33	European Economic Community	-5	-8	-24	0	-1	11	-17	1	-6	14	34
34	Other Western Europe	-31	4	-1	(*)	-3	-3	2	3	-1	(*)	14
35	Japan	8	-28	7	-2	-12	15	-3	-9	(*)	-8	74
36	Other countries	87	-5	83	1	30	-29	6	6	(*)	22	127
37	Foreign currency deposits and other claims	12	57	-99	(*)	20	01	102	-85	1	22	615
38	Canada	-36	39	-19	19	8	55	43	55	-82	24	187
39	United Kingdom	-27	28	-2	2	-2	-4	3	22	1	18	61
40	European Economic Community	31	2	5	(*)	45	-37	22	28	-0	-0	122
41	Other Western Europe	12	-8	(*)	-1	0	3	-3	2	3	-10	25
42	Japan	(*)	6	(*)	3	8	(*)	3	8	-8	4	44
43	Other countries	32	2	13	8	6	(*)	-3	6	3	-8	79
B.	Claims reported by U.S. private residents other than banks:											
1	Long-term (table 1, line 39, with sign reversed)	174	346	-34	32	57	119	33	81	3	180	2,338
2	Canada	01	73	9	15	31	6	13	15	17	28	747
3	United Kingdom	59	8	-2	-0	10	108	27	-7	-1	-11	150
4	European Economic Community	3	-11	-4	(*)	8	2	-12	16	-1	-14	80
5	Other Western Europe	47	50	6	24	20	-3	49	9	-4	-4	256
6	Japan	(*)	18	-1	2	-3	2	-3	17	1	-2	142
7	Other countries	-28	213	-42	(*)	-6	12	8	37	-9	183	1,400
8	Short-term (table 1, line 40, with sign reversed)	968	-345	295	403	38	-35	189	19	-244	-189	3,284
9	Reported by brokerage concerns	308	-238	-20	196	24	107	-114	-0	-99	-19	278
10	Reported by others	743	-67	227	603	64	-143	223	28	-145	-170	3,787
11	Canada	-7	154	-45	69	-58	36	164	-30	-84	184	733
12	United Kingdom	481	-258	919	439	-70	-243	02	-70	-41	-299	962
13	European Economic Community	135	-35	48	33	74	-28	-44	109	-26	-91	450
14	Other Western Europe	18	24	16	-18	43	-31	20	10	-11	-10	248
15	Japan	23	21	-6	-3	20	12	-7	13	0	6	228
16	Other countries	168	30	-6	4	61	101	-8	-10	8	30	1,018
17	Of which: Deposits and money market assets	407	-345	280	400	32	-224	227	-60	-194	-321	1,380
18	U.S.-dollar claims reported by major U.S. corporations	321	-207	143	408	-742	-183	105	-125	-147	-189	1,020
19	Foreign currency claims	179	-50	15	7	755	-31	07	66	-40	-139	378
20	Canada	-10	199	-29	40	-73	37	183	-28	-90	88	479
21	United Kingdom	307	-378	248	359	-18	-230	58	-78	-53	-327	627
22	European Economic Community	100	-61	45	(*)	81	-17	-41	73	-30	-81	113
23	Other Western Europe	12	-8	(*)	-1	34	-30	7	-8	-6	-4	13
24	Japan	-10	-7	(*)	-10	2	-2	-6	-1	1	-3	62
25	Other countries	38	-48	10	16	5	8	-2	-27	-23	2	95
	Memorandum items:											
26	U.S.-dollar deposits in Canadian banks:											
	As reported by major U.S. corporations other than banks (included in line B, 18)	-43	182	-22	27	-20	31	67	20	-44	96	201
27	As reported in Canadian banking statistics	-258	228	-74	26	-118	-02	128	56	7	187	747

\*Preliminary. \*Less than \$500,000(±).

1. Lines B-1-B-35 are based on partial data.

Table 7.—U.S. Liquid Liabilities to Foreigners

(Millions of dollars)

Line		1969	1969*	1968				1960				Amounts out- standing December 31, 1969
				I	II	III	IV	I	II	III	IV	
1	Liquid liabilities to all foreigners (table 1, lines 58 and 59; table 2, lines 8 through 13).....	712	8,245	-837	32	970	338	1,396	4,186	3,688	-844	41,676
2	To foreign official agencies.....	-1,089	-527	-1,358	-2,130	-38	467	-1,788	-538	2,228	-525	13,001
3	Central banks and governments.....	-3,006	-518	-1,305	-2,179	-38	467	-1,709	-536	2,248	-525	11,089
4	Demand deposits.....	86	-231	51	-2	-106	132	-137	25	-44	-76	1,916
5	Time deposits <sup>1</sup> .....	-958	1,042	-333	-184	25	-68	-23	121	136	818	2,041
6	Other private obligations, mainly money market paper <sup>1</sup> .....	-86	818	89	36	-33	-117	-177	-263	161	1,007	2,128
7	U.S. Treasury obligations:											
8	Short-term securities and other obligations.....	-2,188	-1,003	-284	-2,036	161	281	-1,344	-396	1,020	-2,081	4,846
9	Payable in U.S. dollars.....	-2,429	-1,548	-618	-2,087	-37	518	-1,268	-393	2,076	-2,051	3,814
10	Payable in foreign currencies.....	311	-545	66		187	89	-78		-156	-30	202
11	Bonds and notes, marketable.....	-379	-70	-360	8	-26	-2	-3	(*)	-6	-67	363
12	Bonds and notes, nonmarketable, convertible.....	-20	-162	100	(*)	-40	-61	-26	-10	84	-212	585
13	Payable in U.S. dollars.....	-25	-25							-85		
14	Payable in foreign currencies.....	-10	-138	100	(*)	-40	-61	-26	-10	109	-212	585
15	International Monetary Fund <sup>2</sup> .....	-3	-11	3	-11	(*)		1	-3	-9		1,019
16	To foreign commercial banks.....	1,382	9,272	638	2,284	954	-415	3,334	4,714	1,554	-122	22,764
16a	Seasonally adjusted.....			487	2,287	708	-74	3,334	4,808	1,828	818	
16b	To foreign branches of U.S. banks <sup>3</sup> .....	n.a.	7,178	n.a.	n.a.	n.a.	n.a.	3,183	4,687	1,118	-1,630	12,211
17	Demand deposits.....	2,054	6,476	636	1,788	800	-390	2,028	3,837	932	-78	16,480
18	Time deposits <sup>1</sup> .....	133	728	24	84	73	-48	106	183	428	-78	2,000
19	Other private obligations, mainly money market paper <sup>1</sup> .....	745	2,069	148	342	177	68	907	783	448	24	4,974
20	U.S. Treasury short-term securities.....	-300	-10	-75	(*)	5	-27	12	-7	-19	-6	30
21	To other foreign residents and unaffiliated.....	374	-437	4	103	44	223	-22	-145	-143	-127	4,472
22	Demand deposits.....	104	-28	-109	110	-53	155	-48	36	-12	-58	1,709
23	Time deposits <sup>1</sup> .....	144	-284	-2	-5	68	63	-27	-170	-188	11	1,815
24	Other private obligations, mainly money market paper <sup>1</sup> .....	66	-60	47	8	26	-7	13	25	-21	-67	312
25	U.S. Treasury obligations:											
26	Short-term securities.....	6	21	21	-14	-18	9	18	1	2	(*)	107
27	Bonds and notes.....	51	54	46	9	13	-17	30	-39	78	-3	529
28	To international and regional organizations not included above.....	55	-63	79	-84	19	48	-56	52	8	-63	689
29	Demand deposits.....	1	-10	15	-3	-1	-10	1	7	-14	-4	58
30	Time deposits <sup>1</sup> .....	-1	-34	22	-24	12	-17	-31	-17	7	-3	79
31	Other private obligations, mainly money market paper <sup>1</sup> .....	1	129	0	-25	29	-6	116	79	4	-70	228
32	U.S. Treasury obligations:											
33	Short-term securities.....	216	-168	32	5	76	204	-183	3	10	20	244
34	Bonds and notes.....	-162	11	1	-39	-80	-14	-1	18	1	1	50

\* Revised. \* Preliminary. \* Less than \$500,000 (4c). n.a. Not available.

1. With maturity of 1 year or less; negotiable certificates of deposit with a maturity of 1 year or less are included with money market paper.

2. Includes liabilities of U.S. monetary authorities for gold deposited by and held for IMF. Excludes dollar holdings of IMF except holdings acquired through gold sales to the United States with the option to reverse the transactions. These reversible transactions amounted to \$304 million in 1966, \$300 million in 1968, and \$300 million in 1969.

3. These data are quarterly estimates of liabilities of U.S. banks to their foreign branches; they are derived from weekly and daily figures compiled by the Federal Reserve System.

Table 8.—U.S. International

(Millions of)

Line	(Credits +; debits -)	United Kingdom						European Economic Community							
		1969*	1969	1969				1968	1969	1969				1968	1969
				I*	II*	III*	IV*			I	II	III*	IV*		
1	Exports of goods and services.....	3,519	3,823	819	863	836	1,086	8,165	n.a.	1,827	2,415	2,303	n.a.	1,827	2,415
2	Excluding transfers under military grants.....	3,039	3,333	819	863	836	1,086	8,165	8,094	1,827	2,415	2,303	2,386	1,827	2,415
3	Merchandise, adjusted, excluding military.....	1,060	2,024	368	626	498	603	6,068	6,065	1,916	2,252	1,704	1,894	1,916	2,252
4	Transfers under military sales contracts.....	322	331	108	80	70	72	263	245	112	154	70	59	112	154
5	Transfers under military grants, net.....	(*)						-2	n.a.				n.a.		
6	Transportation.....	278	315	51	88	88	78	478	642	97	120	184	143	97	120
7	Travel.....	40	49	8	12	19	10	115	130	23	30	46	23	23	30
8	Fees and royalties from direct investments.....	176	183	41	43	81	48	281	291	80	61	73	81	80	61
9	Other private services.....	147	148	37	37	37	37	527	538	56	61	59	62	56	61
10	Other U.S. Government services.....	19	16	4	4	4	4	27	23	5	6	7	5	5	6
11	Income on U.S. investments abroad:														
12	Direct investments <sup>1</sup> .....	261	324	105	78	80	61	438	457	107	108	120	115	107	108
13	Other private assets.....	189	192	43	40	48	58	119	128	28	32	33	37	28	32
14	U.S. Government assets.....	139	260	21	81	35	133	45	67	12	17	20	16	12	17
15	Imports of goods and services.....	-3,086	-4,414	-804	-1,183	-1,285	-1,371	-8,948	-9,154	-1,708	-2,563	-2,587	-2,332	-1,708	-2,563
16	Merchandise, adjusted, excluding military.....	-2,963	-2,036	-373	-694	-642	-587	-5,819	-5,835	-1,023	-1,710	-1,581	-1,039	-1,023	-1,710
17	Military expenditures.....	-172	-207	-50	-49	-48	-53	-1,862	-1,289	-290	-280	-288	-302	-290	-280
18	Transportation.....	-467	-482	-86	-144	-142	-110	-476	-714	-140	-200	-218	-149	-140	-200
19	Travel.....	-104	-224	-16	-71	-100	-37	-403	-443	-40	-120	-215	-62	-40	-120
20	Private payments for other services.....	-106	-224	-57	-57	-54	-56	-79	-93	-31	-22	-22	-26	-31	-22
21	U.S. Government payments for other services.....	-14	-14	-3	-4	-3	-4	-37	-71	-17	-17	-20	-17	-17	-17
22	Income on foreign investments in the United States:														
23	Private payments <sup>1</sup> .....	-634	-1,174	-282	-250	-257	-268	-355	-570	-113	-188	-185	-103	-113	-188
24	U.S. Government payments.....	-49	-34	-9	-9	-8	-8	-255	-262	-56	-61	-60	-77	-56	-61
25	Balance on goods and services (lines 1 and 14).....	-147	-631	15	-244	-319	-73	-675	n.a.	127	-848	-265	n.a.	127	-848
26	Excluding transfers under military grants (lines 2 and 14).....	-165	-631	15	-244	-319	-73	-673	-58	127	-148	-265	237	127	-148
27	Unilateral transfers, net: transfers to foreigners (-).....	-68	-58	-12	-86	-15	-15	-84	n.a.	3	-3	-2	n.a.	3	-3
28	Excluding military grants.....	-51	-48	-12	-86	-15	-15	-85	-5	3	-3	-3	-2	-5	-3
29	Private remittances.....	-43	-49	-8	-12	-11	-19	8	01	28	21	21	22	28	21
30	Military grants of goods and services.....	(*)						2	n.a.				n.a.		
31	Other U.S. Government grants.....	(*)						-1	(*)						
32	U.S. Government pensions and other transfers.....	-17	-18	-4	-5	-4	-5	-45	-65	-23	-24	-24	-24	-23	-24
33	Balance on goods, services, and unilateral transfers (lines 25 and 26, or 24 and 26).....	-227	-649	3	-280	-334	-87	-758	-63	138	-151	-258	215	-63	138
34	Transactions in U.S. private assets, net: increase in assets (-).....	-1,087	-276	-279	-63	-104	167	-389	-537	-84	-537	-183	287	-84	-537
35	Direct investments <sup>1</sup> .....	-375	-278	-131	-91	-79	-7	-425	-710	-280	-351	-237	187	-425	-710
36	Foreign securities newly issued in the United States.....								-14			-14			
37	Redemptions.....	15	16	6	1	1	2	22	45	5	3	2	25	22	45
38	Other transactions in foreign securities.....	-98	-173	-32	-60	-29	-68	41	284	70	30	47	77	41	284
39	Claims reported by U.S. banks:														
40	Long-term.....	-12	12	1	15	-1	-1	131	-30	-4	-1	16	-43	-4	-30
41	Short-term.....	-74	-100	-10	-17	-38	-35	22	-120	44	-99	-28	-37	22	-120
42	Claims reported by U.S. residents other than banks:														
43	Long-term.....	-80	-8	-27	7	1	11	-3	11	12	-16	1	14	-3	11
44	Short-term.....	-448	282	-35	78	45	293	-175	67	69	-103	27	64	-175	67
45	Transactions in U.S. Government assets, excluding official reserve assets, net: increase in assets (-).....	-274	12	-44	-3	-29	87	72	-287	-17	4	-129	-4	72	-287
46	Loans and other long-term assets.....	-265	-178	-85	-42	-16	-40	-101	-128	-25	-40	-40	-20	-101	-128
47	Foreign currencies and other assets.....	11	-25	-1	-3	-20	-5	-7	-10	1	8	-8	-4	-7	-10
48	Repayments on credits:														
49	Scheduled.....	30	178		41	(*)	132	40	59	7	18	18	18	40	59
50	Nonscheduled (including sales of foreign obligations to foreigners).....		48	13	9			180	-231	(*)	24	-155		180	-231
51	Transactions in U.S. official reserve assets, net: increase in assets (-).....	-128	662	84	138	-65	485	-785	-617	-75	-174	-379	111	-785	-617
52	Gold.....	336						-316	-749	25	-275		-608	-316	-749
53	Convertible currencies.....	-941	682	84	138	-65	606	-440	232	-101	191	-378	611	-440	232
54	Gold tranche position in IMF.....														
55	Transactions in foreign assets in the United States, net: increase in foreign assets (U.S. liabilities) (+).....	2,812	2,497	2,845	3,378	489	-1,104	1,273	1,532	-1,475	1,645	2,321	-1,881	1,273	1,532
56	Direct investments.....	114	84	32	-10	104	-12	212	333	24	169	27	123	212	333
57	U.S. securities other than Treasury issues.....	425	84	67	17	-30	40	1,287	1,361	281	180	307	414	1,287	1,361
58	Long-term liabilities reported by U.S. banks.....	-10	46	(*)	13	23	0	-3	-1	(*)			-1	-3	-1
59	Other liabilities reported by U.S. private residents other than banks:														
60	Long-term.....	294	87	8	-14	23	28	271	330	76	49	70	135	271	330
61	Short-term.....	117	-82	8	-37	15	-68	350	140	18	6	68	62	350	140
62	Nonmarketable liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions:														
63	Associated with specific transactions.....	-42	-153	-20	-38	-67	-38	-110	217	-64	-66	-44	203	-110	217
64	Other medium-term securities and long-term obligations.....	(*)	(*)	(*)	(*)	(*)	(*)	758	224	120	121	-100	75	758	224
65	U.S. Treasury marketable or convertible bonds and notes.....	82	80	10	-35	72	(*)	-118	-217	-51	-49		-217	-118	-217
66	Deposits and money market paper held in the United States.....	1,463	6,306	2,738	8,542	318	-1,201	-1,378	-754	-1,589	1,246	2,347	-2,787	-1,378	-754
67	Errors and omissions, and transfers of funds between foreign areas, net: receipts by foreign areas (-).....	-880	-6,150	-2,687	-3,231	40	643	570	-287	1,122	-710	-1,315	1,298	570	-287



### Transactions, by Area

dollars)

Other Western Europe						Eastern Europe						Canada						Lines
1968	1969	1969				1968	1969	1969				1968	1969	1969				
		I	II	III	IV			I	II	III	IV			I	II	III	IV	
4,237	N.A.	1,025	1,227	1,187	N.A.	254	254	48	73	77	97	10,918	12,388	1,942	1,888	2,915	3,102	1
3,865	4,329	943	1,132	1,030	1,224	254	254	48	72	77	97	10,918	12,189	1,942	1,888	2,915	3,102	2
2,168	2,744	583	780	649	783	223	233	48	64	64	84	8,141	9,187	2,235	2,412	2,128	2,412	3
124	174	48	45	37	63							39	46	8	18	9	19	4
371	N.A.	83	95	97	N.O.													5
485	539	85	150	159	146	3	3	(*)	1	1	1	101	162	34	41	45	43	6
63	83	15	38	24	26							638	811	184	238	372	125	7
78	99	25	23	24	24							285	355	55	63	82	75	8
118	117	28	30	29	39	15	15	(*)	5	5	5	168	189	41	41	42	44	9
47	68	14	39	17	17	2	2	(*)	5	5	5	8	6	1	1	2	7	10
188	274	88	60	47	83							540	794	175	300	183	237	11
112	123	28	31	31	34	3	4	1	1	1	1	694	730	180	191	174	205	12
118	114	33	25	25	39	0	19	1	1	6	5	7	1	(*)	(*)	(*)	(*)	13
-4,035	-4,321	-827	-1,294	-1,188	-1,073	-394	-230	-48	-65	-63	-53	-10,510	-12,882	-3,827	-3,869	-3,097	-3,229	14
-2,218	-3,271	-425	-685	-586	-695	-206	-190	-44	-47	-49	-49	-8,504	-8,090	-3,398	-2,574	-2,330	-3,207	15
-270	-245	-42	-50	-56	-61	-1	-1	(*)	(*)	(*)	(*)	-283	-283	-78	-77	-82	-78	16
-617	-644	-120	-283	-179	-143	-3	-8	-1	-1	-1	-1	-208	-187	-30	-46	-80	-80	17
-327	-482	-47	-118	-180	-56	-15	-19	-1	-0	-11	-1	-820	-898	-78	-216	-490	-115	18
-43	-45	-18	-11	-12	-12	(*)	-7	-2	-2	-2	-2	-188	-121	-33	-30	-30	-30	19
-43	-63	-12	-12	-15	-16	-8	-7	-2	-2	-2	-2	-60	-10	-3	-3	-3	-3	20
-413	-547	-121	-130	-142	-163	-1	-1	(*)	(*)	(*)	(*)	-313	-423	-91	-96	-100	-124	21
-98	-97	-25	-24	-20	-27	(*)	(*)	(*)	(*)	(*)	(*)	-80	-90	-27	-23	-24	-28	22
391	N.A.	199	-7	-66	N.A.	29	43	(*)	8	84	44	404	148	276	175	-181	-67	23
-379	8	117	-182	-167	151	29	43	(*)	8	84	44	404	148	276	175	-181	-67	24
-667	N.A.	-148	-353	-183	N.A.	-38	-23	-4	-4	-5	-5	-11	-57	1	-18	-23	-28	25
-265	-280	-64	-58	-64	-63	-38	-23	-4	-4	-5	-5	-11	-57	1	-18	-23	-28	26
-169	-167	-40	-45	-43	-38	-0	-11	-2	-3	-3	-3	27	-26	11	-8	-13	-17	27
-371	N.A.	-63	-95	-97	N.A.	-16	-0	-1	-2	(*)	-3							28
-35	-24	-1	-22	-3	-0	-16	-0	-1	-2	(*)	-3							29
-31	-78	-19	-20	-31	-20	-6	-7	-2	-1	-2	-2	-87	-41	-10	-10	-18	-10	30
-865	-373	33	-798	-223	39	-19	40	-4	-1	9	18	389	79	278	192	-282	-35	31
-74	-158	-37	-182	28	14	-3	-8	3	-5	(*)	-6	-1,385	-2,121	-378	-253	-358	-633	32
-185	-237	-13	-81	-84	-80							-534	-624	-187	-77	-161	-199	33
29	13	3	4	1	3							-945	-1,232	-386	-184	-403	-250	34
-20	39	4	-29	23	20							190	230	35	80	40	95	35
												35	-64	25	-130	-29	40	36
121	90	6	-10	48	45	(*)	8	4	(*)	-2	(*)	-1	26	28	2	-5	(*)	37
85	-29	7	-29	4	-11	(*)	-12	3	(*)	-5	-5	74	-285	-149	-57	106	-184	38
-47	-60	-48	-9	4	4	(*)	1	(*)	(*)	(*)	2	-81	-78	-13	-16	-17	-28	39
-42	37	1	-9	22	23	(*)	-2	(*)	(*)	(*)	2	-62	-70	-132	48	112	-88	40
-117	-55	-23	-55	-4	-4	30	34	5	8	14	9	24	-4	-4	1	-1	(*)	41
-349	-223	-48	-91	-48	-43	-20	-18	-5	-2	-1	-3	-4	-5	-3	-3	-3	(*)	42
4	-14	-7	-7	2	-3	12	15	4	7	2	5	-2	3	-1	4	-1	(*)	43
129	158	23	40	41	48	18	20	0	2	13	5	31						44
1	4	(*)	4															45
397	-385	-22	-32	-7	-254							-60	4	2	2	(*)	(*)	46
148	-221	26	-17	-9	-231							(*)	4	2	2	(*)	(*)	47
218	-84	-58	5	2	-33													48
																		49
1,864	2,136	289	-435	283	3,066	3	8	-12	4	8	5	1,222	1,247	304	-183	313	632	50
-29	74	16	7	6	45		(*)		(*)			-28	211	161	71	33	-34	51
1,617	806	509	10	30	247							473	174	141	40	-19	11	52
(*)	-8	-10	-1	1	2							1		(*)	(*)	(*)	(*)	53
108	144	62	27	18	40							-7	-1	1	-5	2	1	54
174	-44	-55	10	12	-21	1	-1	(*)	-1	(*)	(*)	21	-38	-40	1	-4	28	55
20	-17	-10	20	11	-28	(*)	(*)			(*)	(*)	-35	-17	1	19	-4	-32	56
20	-30	-28	(*)									1,938	-175		-260		75	57
-90	148	31	34	76	2	(*)	(*)		(*)	5	5	-343	-113	4	-1	3	-118	58
-135	1,033	-225	-556	112	1,702	(*)	0	-12	(*)	5	8	87	1,194	204	22	208	806	59
-1,864	-1,305	-280	564	-58	-1,883	-1	-75	8	-7	-31	-45	-219	786	(*)	251	258	195	60

Table 3.—U.S. International

(Millions of

Line	(Credits +; debits -)	Latin American Republics and other Western Hemisphere						Japan					
		1968	1969 *	1969				1968	1969 *	1969			
				I	II	III *	IV *			I	II *	III *	IV *
1	Exports of goods and services.....	5,353	n.a.	1,922	2,517	2,428	n.a.	2,789	n.a.	905	1,693	1,143	n.a.
2	Excluding transfers under military grants.....	3,287	9,316	1,313	2,547	2,413	2,412	3,789	4,431	805	1,693	1,143	1,390
3	Merchandise, adjusted, excluding military.....	5,275	5,583	1,007	1,518	1,490	1,528	2,959	3,510	882	1,683	905	1,047
4	Transfers under military sales contracts.....	83	29	8	6	9	7	31	15	4	4	5	5
5	Transfers under military grants, net.....	86	n.a.	9	16	15	n.a.	(*)	n.a.	(*)	(*)	(*)	n.a.
6	Transportation.....	451	458	90	121	134	122	227	229	48	62	61	58
7	Travel.....	785	700	178	234	212	198	51	67	12	17	10	10
8	Post and royalties from direct investments.....	228	241	45	68	82	74	41	49	12	14	12	11
9	Other private services.....	287	283	55	71	73	72	148	178	44	44	44	40
10	Other U.S. Government services.....	74	72	17	28	30	25	11	20	3	12	4	6
11	Income on U.S. investments abroad:												
12	Direct investments <sup>1</sup> .....	1,272	1,284	314	327	345	298	66	68	28	8	13	17
13	Other private assets.....	488	456	102	117	113	125	227	282	58	63	65	74
14	U.S. Government assets.....	137	151	32	43	38	45	35	35	9	8	7	8
15	Imports of goods and services.....	-7,286	-7,552	-1,797	-1,956	-1,873	-1,825	-6,154	-6,221	-1,192	-1,648	-1,731	-1,653
16	Merchandise, adjusted, excluding military.....	-6,154	-6,217	-1,201	-1,376	-1,271	-1,369	-4,971	-4,897	-981	-1,314	-1,395	-1,298
17	Military expenditures.....	-183	-178	-50	-43	-41	-44	-551	-488	-131	-120	-102	-176
18	Transportation.....	-278	-321	-74	-82	-83	-81	-210	-245	-62	-65	-65	-62
19	Travel.....	-1,047	-1,140	-222	-265	-261	-244	-88	-73	-12	-30	-24	-17
20	Private payments for other services.....	-123	-137	-32	-37	-35	-32	-18	-10	-5	-5	-5	-5
21	U.S. Government payments for other services.....	-103	-157	-41	-35	-45	-44	-19	-19	-3	-5	-5	-5
22	Income on foreign investments in the United States:												
23	Private payments <sup>1</sup> .....	-234	-278	-72	-86	-102	-115	-154	-238	-47	-51	-66	-71
24	U.S. Government payments.....	-17	-18	-5	-5	-4	-3	-37	-78	-20	-30	-17	-21
25	Balance on goods and services (lines 1 and 14).....	1,746	n.a.	126	567	555	n.a.	-1,365	n.a.	-287	-955	-586	n.a.
26	Excluding transfers under military grants (lines 3 and 14).....	1,681	1,763	156	537	549	549	-1,357	-1,393	-287	-955	-586	-582
27	Unilateral transfers, net: transfers to foreigners (-).....	-694	n.a.	-106	-124	-121	n.a.	-36	n.a.	-8	-8	-8	n.a.
28	Excluding military grants.....	-429	-432	-89	-124	-87	-123	-36	-34	-8	-8	-8	-9
29	Private remittances.....	-140	-173	-41	-44	-45	-43	-25	-25	-8	-6	-6	-7
30	Military grants of goods and services.....	-85	n.a.	-0	-19	-15	n.a.	(*)	n.a.	(*)	(*)	(*)	n.a.
31	Other U.S. Government grants.....	-245	-230	-47	-70	-65	-60	-8	-8	-2	-2	-2	-2
32	U.S. Government pensions and other transfers.....	-35	-40	-11	-11	-9	-9	-8	-8	-2	-2	-2	-2
33	Balance on goods, services, and unilateral transfers (lines 23 and 26, or 24 and 26).....	1,553	1,390	18	434	443	496	-1,483	-1,324	-285	-944	-594	-271
34	Transactions in U.S. private assets, net: increase in assets (-).....	-820	-438	75	-199	-27	-197	7	-493	52	-249	-79	-252
35	Direct investments <sup>1</sup> .....	-573	-592	-68	-180	-160	77	-77	-62	-27	16	-43	2
36	Foreign securities newly issued in the United States.....	-144	-30	-15	-3	(*)	-11	-5	-0	-0	-0	-0	-0
37	Redemptions.....	30	24	0	5	3	7	5	8	0	0	0	0
38	Other transactions in foreign securities.....	-85	-79	-90	-10	-23	2	8	-204	-2	-22	-92	-30
39	Claims reported by U.S. banks:												
40	Long-term.....	131	40	29	5	-3	-1	58	30	8	13	8	7
41	Short-term.....	-178	06	29	-19	94	-78	41	-228	01	-171	20	-170
42	Claims reported by U.S. residents other than banks:												
43	Long-term.....	75	-136	7	4	27	-174	(*)	-13	3	-17	-3	2
44	Short-term.....	-124	20	23	-13	35	-8	-23	-28	8	-18	-3	-6
45	Transactions in U.S. Government assets, excluding official reserve assets, net: increase in assets (-).....	-478	-263	-93	-135	-168	-145	161	6	28	-8	6	-26
46	Loans and other long-term assets.....	-992	-877	-164	-224	-235	-252	-122	-168	-29	-47	-39	-34
47	Foreign currencies and other assets.....	22	-2	1	2	-2	-3	-12	16	0	4	3	(*)
48	Repayments on credits:												
49	Scheduled.....	228	318	71	38	70	84	165	130	40	38	33	14
50	Nonscheduled (including sales of foreign obligations to foreigners).....	3	2		2			100					
51	Transactions in U.S. official reserve assets, net: increase in assets (-).....	55	44	7		13	22						
52	Gold.....	55	44	7		13	22						
53	Convertible currencies.....												
54	Gold tranche position in IMF.....												
55	Transactions in foreign assets in the United States, net: increase in foreign assets (U.S. liabilities)(+).....	821	762	141	78	-23	666	1,085	587	209	-93	165	283
56	Direct investments <sup>1</sup> .....	-10	-0	-1	-26	(*)	30	59	-8	23	-1	-31	(*)
57	U.S. securities other than Treasury issues.....	180	150	55	68	-24	62	2	5	1	1	3	1
58	Long-term liabilities reported by U.S. banks.....	05	-320	-17	-110	-163	-41	214	-2	(*)	1	1	-4
59	Other liabilities reported by U.S. private residents other than banks:												
60	Long-term.....	7	13	(*)	1	17	-5	(*)	11	(*)	(*)	(*)	11
61	Short-term.....	57	-7	-7	0	7	-18	24	30	16	14	4	11
62	Nonmarketable liabilities of U.S. Government, including medium-term securities and long-term obligations payable prior to maturity only under special conditions:												
63	Associated with specific transactions.....	-27	12	-0	22	-2	(*)	-5	22	-1	3	22	-2
64	Other medium-term securities and long-term obligations.....												
65	U.S. Treasury marketable or convertible bonds and notes.....	-15	4	1	-2	2	3	1	62	(*)	(*)	(*)	82
66	Deposits and money market paper held in the United States.....	631	929	115	127	141	563	707	496	237	-111	160	153
67	Errors and omissions, and transfer of funds between foreign areas, net: receipts by foreign areas (-).....	-643	-1,237	-147	-178	-249	-673	259	1,713	-44	873	494	293

\* Revised. \* Preliminary. n.a. Not available. \* Less than \$500,000 (th).  
 1 Lines 56, 59, and 60 for 1969, include revisions made in September 1969 survey.

1. Includes transactions with shipping companies operating under the flags of Honduras, Liberia, and Panama.

## Transactions, by Area—Continued

(dollars)

Australia, New Zealand, and South Africa						Other countries in Asia and Africa								International organizations and unallocated <sup>1</sup>								Line
1968	1969 <sup>2</sup>	1969				1968	1969 <sup>2</sup>	1969				1968 <sup>1</sup>	1969 <sup>2</sup>	1969								
		I	II	III <sup>3</sup>	IV <sup>4</sup>			I <sup>5</sup>	II <sup>6</sup>	III <sup>7</sup>	IV <sup>8</sup>			I	II	III <sup>9</sup>	IV <sup>10</sup>					
2,499 1,089	2,492 2,462	413 417	625 628	531 531	579 579	9,849 8,645	n.s. 9,128	1,848 1,779	2,836 2,548	2,423 2,284	n.s. 2,498	459 459	752 752	142 142	164 164	137 137	308 308	1				
1,384 179	1,345 104	350 20	256 32	300 16	300 16	5,074 308	5,015 457	967 96	1,680 189	1,281 144	1,354 180							2				
01	98	10	27	27	26	404 511	n.s. 538	69 99	122 152	135 140	n.s. 142							3				
40 81 96 1	86 88 91 1	6 13 23 (*)	8 21 24 (*)	13 15 23 (*)	0 33 23 (*)	53 113 336 164	60 121 260 161	10 26 65 39	16 33 59 44	25 20 69 39	19 33 82 39							4				
100 48 18	204 50 24	48 11 1	36 14 10	54 11 1	88 14 11	1,730 185 273	2,017 333 280	471 65 83	493 54 74	470 62 68	604 62 74	26 61 1	203 70 1	42 24 1	82 13	7 28	122 13 (*)	11				
-1,143	-1,273	-282	-329	-375	-317	-6,545	-7,324	-1,899	-1,912	-1,922	-1,899	-744	-596	-140	-169	-233	-253	12				
-623	-1,065	-158	-274	-310	-264	-3,784	-4,259	-921	-1,148	-1,750	-1,114	-52						13				
-83	-63	-11	-30	-16	-11	-1,010	-2,085	-493	-622	-622	-628							14				
-74	-87	-23	-23	-23	-20	-244	-272	-49	-74	-80	-80	-664	-610	-97	-124	-122	-167	15				
-26	-28	-6	-6	-7	-7	-135	-128	-23	-26	-56	-56							16				
-2	-3	-1	-1	-1	-1	-17	-15	-4	-4	-4	-4							17				
-25	-26	-7	-6	-8	-8	-241	-244	-69	-79	-61	-65	-168	-83	-5	-1	-50	-43	18				
-13	-24	-4	-6	-7	-8	-164	-212	-44	-40	-55	-65	-41	-84	-14	-15	-28	-24	19				
-7	-8	-2	-2	-2	-3	-61	-74	-17	-19	-19	-19	-80	-186	-25	-26	-26	-29	20				
898	778	141	189	165	242	2,464	n.s.	266	778	490	n.s.	-285	-48	2	-5	-30	45	21				
898	778	141	189	165	242	2,464	1,804	199	636	354	496	-285	-48	2	-5	-30	45	22				
-20	-19	-4	-5	-5	-5	-2,178	n.s.	-472	-585	-590	n.s.	-124	-135	-35	-59	-11	-11	23				
-20	-19	-4	-5	-5	-5	-1,773	-1,768	-483	-533	-394	-628	-124	-135	-35	-59	-11	-11	24				
-37	-18	-4	-4	-4	-4	-371	-380	-66	-67	-64	-101	-1	-2	-1	-1	(*)	(*)	25				
						-404	n.s.	-69	-122	-135	n.s.							26				
-3	-3	-1	-1	-1	-1	-1,287	-1,255	-256	-406	-270	-267	-123	-133	-84	-58	-11	-30	27				
						-116	-113	-27	-28	-29	-30							28				
974	759	165	185	180	268	347	47	-244	123	-40	259	-499	-183	-33	-64	-182	15	29				
-184	-68	14	-15	-17	-38	-899	-593	-184	-528	10	(*)	-346	-341	-68	-66	-68	-144	30				
-168	-120	-17	-27	-33	-53	-482	-413	-235	-247	-72	113	-108	-206	-40	-78	-23	-102	31				
12	22	4	2	2	15	-178	-178	-47	-53	-31	-47	-290	-185	-115	-2	-49		32				
-9	1	(*)	2	2	-3	22	41	11	5	12	13	170	88	55	7	19	10	33				
						14	17	-6	3	3	1	25	32	28	9	5	-2	34				
34	54	11	23	13	7	-144	96	40	-14	61	19							35				
-21	8	17	-18	0	-5	-48	-184	5	-178	54	-70	(*)	(*)	(*)	(*)	(*)	(*)	36				
-22	-2	-3	2	-1		-16	-75	-12	-37	-17	-0							37				
-9	-5	2	2	-0	(*)	-70	7	8	5	13	-10	(*)	-1	-1	(*)	(*)		38				
-168	-66	-27	(*)	-28	29	-1,773	-1,125	-274	-528	-248	-283	-89	-48	-18	-22	3	-12	39				
-224	-115	-40	-26	-20	-31	-1,583	-1,768	-679	-487	-308	-272	-89	-48	-19	-24		-12	40				
-2	-8	1	-4	-2	(*)	46	77	224	-178	-22	3		3		3			41				
58	74	2	21	2	40	337	289	91	83	91	98	5	6	3		3		42				
(*)						28	1-0	1	1	(*)	2-11							43				
2	1	1				432	-32	-3	-24	-9	4	-245	-1,044	-32	-229	-241	-642	44				
2	1	1				492	-32	-3	-24	-0	4	56	-10	-1	-1	-8		45				
												-870	-1,034	-31	-228	-232	-642	46				
24	179	133	8	-73	822	363	-117	-195	-185	-47	281	364	393	75	66	158	192	47				
8	61	(*)	(*)	(*)	61	-2	1	3	-2	1	-1							48				
17	16	11	12	-15	8	129	70	21	13	27	7	130	379	187	-24	76	140	49				
	-2	30	-0	-14	-18	271	-508	-60	-99	-213	-140	11	131	-1	28	90	14	50				
-2	(*)	2	-2	(*)	9	2	9	4	3	-0	8							51				
-13	14	-2	7	(*)	(*)	12	16	6	40	-6	-24	(*)	(*)	(*)	(*)	(*)		52				
34	47	0	4	11	23	2	52	16	83	-28	1							53				
(*)						18	-70	-10	-44	-16								54				
-21	34	(*)	(*)	(*)	(*)	1	-3	-2	1	(*)	-2	-129	6	-1	6	(*)	-1	55				
		80	-3	-69	27	-27	316	-174	-151	192	446	-129	-123	-110	54	-16	-81	56				
-850	-837	-273	-187	-27	-241	1,86	2,850	648	1,106	334	-381	1,484	1,218	78	385	223	581	57				

2. Exclude undistributed profits of subsidiaries.

3. Negative entry reflects repurchase of foreign obligations previously sold.

Note.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 9.—Changes in Reported Foreign Gold Reserves and Liquid Dollar Holdings Through Known Transactions With the United States and Through Other Transactions, by Area<sup>1</sup>

(Millions of dollars)

Line		1968	1969*	1968				1969			
				I	II	III	IV	I*	II*	III*	IV*
	All areas:										
1	Total increase.....	-689	7,163	-1,009	165	823	-559	1,415	3,731	2,692	-672
2	Through known transactions with the United States.....	-219	7,058	235	-105	406	-739	1,269	3,919	2,972	-939
3	Through other transactions.....	-444	105	-1,249	270	235	189	144	-85	-81	125
	Western Europe, including United Kingdom:										
4	Total increase.....	-1,420	6,415	-790	500	-88	-1,115	687	4,154	2,627	-2,153
5	Through known transactions with the United States.....	-2,445	-1,888	-825	-388	136	-1,887	-835	560	943	-2,181
6	Through other transactions.....	1,025	8,771	-365	888	-224	774	1,729	3,194	1,685	-29
	United Kingdom:										
7	Total increase.....	739	n.a.	832	1,804	-274	-1,428	2,841	3,613	311	n.a.
8	Through known transactions with the United States.....	683	866	279	181	385	-352	231	288	306	-114
9	Through other transactions.....	316	n.a.	553	1,623	-659	-1,071	2,610	3,229	-54	n.a.
	Eastern Europe:										
10	Total increase.....	2	9	-12	6	3	5	-12	6	8	8
11	Through known transactions with the United States.....	1	-85	13	8	-12	-9	-4	-1	-23	-37
12	Through other transactions.....	1	74	-25	-2	15	14	-8	7	31	45
	Canada:										
13	Total increase.....	-408	1,004	-545	121	-37	83	279	36	311	897
14	Through known transactions with the United States.....	-325	1,581	-512	-351	222	85	271	274	555	632
15	Through other transactions.....	117	-787	-33	472	-259	-42	-1	-251	-244	-185
	Latin American Republics and other Western Hemisphere:										
16	Total increase.....	562	681	-80	137	122	263	122	232	182	556
17	Through known transactions with the United States.....	-42	-360	-5	-199	224	-35	-21	-53	-32	-184
18	Through other transactions.....	608	1,041	-83	336	-102	448	143	285	214	740
	Japan:										
19	Total increase.....	726	577	-45	1	321	462	228	-156	177	277
20	Through known transactions with the United States.....	989	2,224	94	124	302	397	183	793	662	830
21	Through other transactions.....	-278	-1,647	-139	-123	-71	75	44	-949	-485	-553
	Australia, New Zealand, and South Africa:										
22	Total increase.....	985	-87	134	235	130	187	262	-104	-241	33
23	Through known transactions with the United States.....	-688	-792	-130	-178	-178	-184	-182	-192	-81	-314
24	Through other transactions.....	1,383	705	273	384	297	361	390	93	-149	347
	Other countries in Asia and Africa:										
25	Total increase.....	280	303	183	210	118	-196	-150	-153	170	448
26	Through known transactions with the United States.....	1,230	2,401	488	284	98	367	683	832	518	209
27	Through other transactions.....	-1,000	-2,098	-305	-274	19	-563	-833	-1,005	-348	239
	International organizations and unallocated:										
28	Total increase.....	-1,201	-1,129	67	-1,025	85	-303	-125	-204	-248	-542
29	Through known transactions with the United States.....	610	64	209	23	54	265	-63	138	-5	-12
30	Through other transactions.....	-1,811	-1,193	-201	-1,048	11	-572	-72	-342	-243	-530

\* Preliminary. † Revised. n.a. Not available.

1. Total increase represents changes in reported gold reserves of foreign central banks and governments (including international organizations) but excluding the countries of the Soviet bloc) net of convertible currencies included in U.S. official reserve assets (table 1, line 48) plus foreign liquid claims on the United States (table 1, lines 48 and 88) plus net changes in foreign IMF positions through U.S. dollar transactions (table 1, line 49).

Changes through known transactions with the United States represents for each of the separate areas shown the sum (with sign reversed) of table 6, lines 23, 24, 32, 41, and 51-57. For "All areas" line 51 is added, and for "All areas" and "International organizations and unallocated" line 23 is adjusted to exclude net sales or net purchases (-) of gold by U.S. private residents to the U.S. monetary gold stock. These were (in millions of dollars): 1968, I, -52.

Changes through other transactions equals "Total increase" less "Changes through known transactions with the United States." For "All areas" this difference represents known

acquisitions (+) or sales (-) of gold by foreign central banks and governments outside the United States. This net acquisitions of gold equals the excess of new gold production abroad plus sales by the Soviet bloc less net gold purchases by others. For each of the separate areas shown the difference reflects net gold and dollar receipts (+) or payments (-) resulting from their transactions with countries other than the United States, net changes in their convertible currencies included in U.S. official reserve assets resulting from U.S. transactions with other areas, and from unrecorded transactions with the United States.

2. Includes transactions with shipping companies operating under the flag of Honduras, Liberia, and Panama.

NOTE.—Details may not add to totals because of rounding.

Source: U.S. Department of Commerce, Office of Business Economics.